

IOWA AGENTS CONVENTION NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 10, 1931

Great American Insurance Company New York

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Your
Company

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Company

INCORPORATED - 1872

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STRENGTH IS SAFETY!



IN 1855—two years after The Home Insurance Company of New York was organized—Sir Henry Bessemer of England—an engineer—invented the process of making steel by eliminating the carbon and silicon from pig iron by forcing a blast of air through the molten metal. The manufacturing of steel—the strongest material known—has advanced until it is now considered the leader of the

various industries. » "The Home of New York" through its capable management in underwriting and its conservative investments, has for some time enjoyed the reputation of being one of the leaders in the insurance field. Through its financial strength "The Home" has been in a position to meet every obligation in the adjustment of losses for over seventy-eight years. » » » »

Cash Capital, \$24,000,000.00

Net Surplus

\$36,398,755.35
(Accumulated over 78 years)

Surplus to Policyholders

\$60,398,755.35

Additional Funds

\$38,936,368.00
(Pro Rata Unearned Premiums)

Reserved

for miscellaneous accounts, taxes, dividends,
and other obligations

\$12,754,865.55

Assets

Cash on hand, funds conservatively invested
or current balances payable when due

\$112,089,988.90

THE HOME INSURANCE COMPANY NEW YORK

ORGANIZED 1853

59 MAIDEN LANE

WILFRED KURTH, President

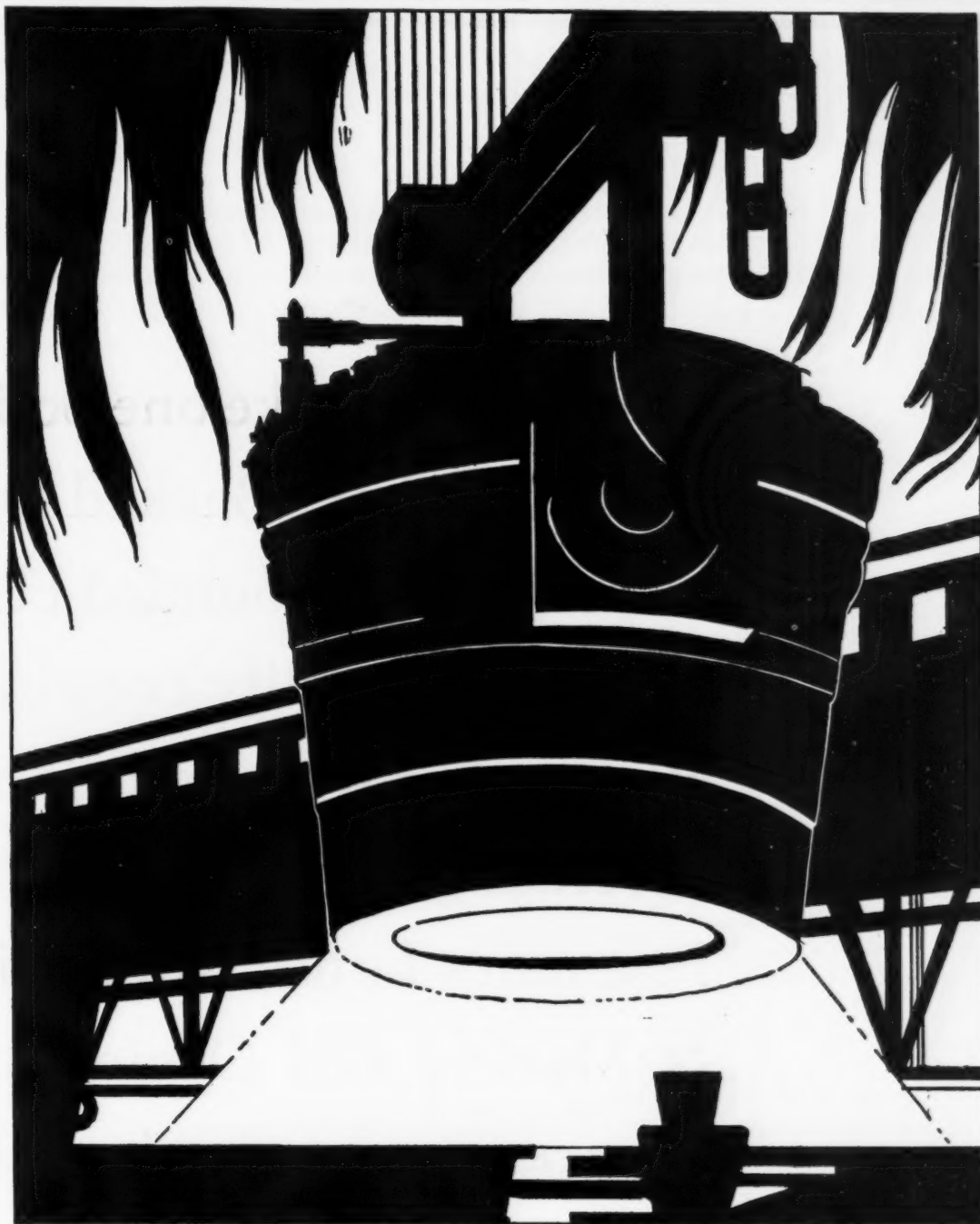
Strength

« »

Reputation

« »

Service



Established in 1869, the London Guarantee is one of the oldest and strongest casualty companies in the world.

MODERN AID TO INDUSTRY

Industry's new and changing insurance problems are given understanding study by the underwriters of this company. London Guarantee agents have a definite advantage over competitors by reason of this. This profit-making service for agents accounts for their growing preference for the London Guarantee.

LONDON GUARANTEE AND ACCIDENT COMPANY, LTD.
J. M. Haines, United States Manager • Fifty-Five Fifth Avenue, New York

Keen agents make one policy write another. Backed by a seasoned, well-rounded Fleet they more readily convince clients that with additional coverage goes peace of mind. Fireman's Fund, Home Fire & Marine and Occidental Insurance companies, the Fireman's Fund and Occidental Indemnity companies. . .

SAN FRANCISCO

NEW YORK CHICAGO BOSTON ATLANTA

The National Underwriter

Thirty-Fifth Year No. 37

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 10, 1931

\$4.00 Per Year, 20 Cents a Copy

Blue Goose Grand Nest in Session

Proposal to Admit Casualty Men to Membership in Organization Has Little Chance

PAUL RUDD WILL RETIRE

Not to Be Candidate Either for Grand Welder or Insurance Secretary—Helliwell May Succeed Him

By LEVERING CARTWRIGHT

MILWAUKEE, Sept. 9.—As the business session of the Blue Goose grand nest started this morning, it was apparent that the proposal to admit casualty men to the order would not prevail. Those opposed to the innovation lobbied aggressively against it yesterday when the delegates began flocking here for the silver anniversary flight. Proponents of the expansion were not active and it was doubtful whether the issue would come to a vote.

Paul Rudd to Retire

A surprise of the meeting was the announcement by Paul E. Rudd of Milwaukee that he would not be a candidate to succeed himself either as grand welder or as secretary of the insurance committee. Mr. Rudd has made a sacrifice in his work for the order and feels that he must devote his full attention to his job as state agent for the Aetna. Mr. Rudd's decision caused Blue Goose leaders to scan the field at the last moment for a man to fill these secretarial positions. C. P. Helliwell, well known general agent of Milwaukee, has agreed to serve and undoubtedly will be elected.

Incidentally the proposal to create a tenure of five years for the grand welder is being dropped.

Contest for Grand Keeper

Politicians have been busy in convention with the contest for the position of grand keeper of the golden goose egg. According to precedent, the job should go to an easterner this year and Samuel McHorter of New York, who travels for the Home of New York, seems to have the inside track. Ralph W. Hukill, Ohio state agent for the Fireman's Fund, has been boomed, but his sponsors are willing to retire in favor of the east. E. V. Thayer, former manager of the Boston Board, is a third candidate and the New Englanders are waving the flag for him.

W. F. C. Fellers, adjuster of Jacksonville, Fla., will undoubtedly be elevated to most loyal grand gander to succeed Henry L. Rose of Baltimore. Mr. Fellers has been grand supervisor.

Mr. Fellers will put in a strong bid in behalf of Jacksonville for the 1932 grand nest meeting, but the heat today is such that the delegates are not inclined to look favorably on Florida for

Boston Board Goes Back to Its Former Constitution

COMMITTEE TO REVISE RULES

Heated Controversy Ended—New England Exchange and Companies Fail to Approve Plan

BOSTON, Sept. 9.—The Boston Board voted yesterday by a large majority the abrogation in its entirety of the board constitution and by-laws, adopted Jan. 30, and the substitution of the constitution and by-laws in effect previous to Jan. 30.

It was voted to have the president appoint a committee of five to revise the rules pertaining to penalties under the former constitution, by-laws and brokerage and agency rules.

Patterned After Chicago Plans

Thus ends a much involved controversy in the Boston Board which started nearly a year ago when the board put forward a plan modeled after the Chicago Board's plan, to increase membership fees to \$500, with \$750 for new members; create a fund out of which penalties against members could be paid in case of inability to collect from offending members; the appointment of the manager of the board as an ex parte investigator and judge of infractions of the agency and brokerage rules and increased penalties for infractions of the rules.

Never in Effect

Although the new constitution, by-laws and plan were voted in effect on Jan. 30 they have never actually gone into effect. First the New England Insurance Exchange, which under a working agreement with the board is supposed to endorse such measures, declined to vote upon or endorse the plan. The plan also called for the signed agreement of the companies. Efforts to secure such signatures failed and very few of the companies showed a disposition to abide by the plan.

The acts of the board will be promulgated today and the old constitution and by-laws go into effect.

an autumn meeting. Chicago has been suggested, although that city wants the meeting in 1933, World's Fair year.

H. Churchill Smith, Montreal, will be advanced from grand custodian to grand supervisor; D. A. McKinley, Spokane, from grand guardian to grand custodian and L. H. Bridges, Omaha, from grand keeper to grand guardian.

Group Life Situation Discussed

The group life insurance situation is calling for some attention. The Canadian members want their insurance placed in the Montreal Life, a home institution, making the point that the Lincoln National Life, the present carrier, is not licensed in Canada. The insurance committee is agreeable to the secession, if the Lincoln National is not called upon to insure any Canadian lives and if Canada is to be counted out of the experience record.

S. C. Kattel of the Lincoln National actuarial staff is on hand consulting with the insurance committee, which reports

Great Interest in Basis for Securities Valuations

MAY COME UP AT PORTLAND

Commissioners Likely to Discuss Matter Informally, Although No Action Will Be Taken Until December

NEW YORK, Sept. 9.—Although several months will elapse before insurance companies will be required to prepare their annual statements for 1931, speculation is already being indulged in as to the basis of valuations of securities the commissioners may set. Under normal economic and financial conditions the figures used in determining stock and bond values are those quoted on the market the closing day of the year. These are compiled, together with obtainable values on unlisted securities, by financial experts employed by the National Convention of Insurance Commissioners for that purpose. At various times in the past, when unusual situations prevailed in financial circles, the companies in preparing their annual reports were permitted to value securities on the basis of averages for the preceding 12 months.

Depends on Market Course

What method will be followed this year is of course too early to predict. A great deal will depend on the course of the market between now and Dec. 31. If during that period securities show improvement to any material degree over the figures now ruling, it is more than likely that prices obtaining at the close of the year will be used, as they have for some time past.

Investors began to be excited over the shrinkage in values last April, wondering whether the downward trend was likely to continue. By June 30, however, there was a rebound in market quotations, but since that time many securities have again fallen off. What will occur in the next four months no one can predict with any measure of safety. The entire question is one of intense interest, and will probably form a topic for informal discussion among the commissioners at the Portland meeting next week. There will be no decision, however, until the December gathering of the convention, if there is to be any departure from the general policy.

that 42 percent of the Blue Goose membership is insured, ranging from 20 percent in Mississippi to 61 percent in Illinois.

(CONTINUED ON PAGE 15)

Special Insert for Iowa Agents' Annual Meeting

The proceedings of the annual convention of the Iowa Association of Insurance Agents at Sioux City are reported in full by C. M. Cartwright in a special insert beginning on page 21 of this issue. The meeting was held last Friday and Saturday.

Iowa Agents Hear New Farm Gospel

Goss Says Policies Must Be Written to Make Fire Penalize

RESPONSE GOOD, HE SAYS

Head of Farm Association Tells Necessity of Eliminating Overinsurance in Sioux City Talk

I. D. Goss, western farm manager for the America Fore companies and president of the Farm Association, who is in the forefront in the great undertaking to adjust the level of farm insurance to present day values, told the Iowa agents at Sioux City that the vital feature of farm insurance reform is to have the policies written so that a fire loss will always be a penalty and never a reward.

Much Over-Insurance Found

"My department," Mr. Goss declared, "has inspected hundreds of bad record agencies. In nearly every case we have found that over-insurance was the cause. I am thoroughly convinced that insurance which is too high to actual value will in time put any agency in the red and keep it there, no matter how good the territory. Insurance conservatively written will do the opposite."

Mr. Goss declared that the movement to remedy farm writing has met with splendid response from the agents. Only a few have rebelled at the sacrifice involved.

Decision Not Made Hastily

Decision to eliminate over-insurance in the farm field was not hastily arrived at, Mr. Goss pointed out. For ten years the farm writing companies have uncomplainingly suffered, western department territory having lost an average of \$2,500,000 each year on a normal volume of \$20,000,000 in premiums. "Ten consecutive years in the red," Mr. Goss pointed out, "prove that there are definite and active forces which are making for our defeat."

For ten years, according to Mr. Goss, the companies have been courageous in the farm field. Now courage must be supplemented by good judgment. The farm business had reached the cross roads, when the Farm Association undertook to correct it.

Little Difference on Fundamentals

"There is some difference of opinion in farm circles on the minor issues," Mr. Goss declared, "but there is practical unanimity in the belief that the insurance written by stock companies on farm property has been permitted unwittingly to get out of hand until it has in many instances reached or eclipsed the actual value of farm improvement."

Mr. Goss explained some of the differences. (CONTINUED ON PAGE 15)

Protest From Jewelers on Adjustments of All-Risks

CHARGE CHEAP REPLACEMENT

Unofficial Complaint That Business Is Taken Away from the Original Jeweler

Complaint is reaching the companies unofficially from jewelers of the alleged practice of adjusters in connection with all-risk jewelry and tourist floater policies making replacements below the retail price, patronizing a cheaper jeweler, taking the business away from the jeweler who sold the article which was lost. Some company men declare that there is a certain amount of justice in this complaint.

Following, in part, is a letter which one of the companies has received from a jeweler:

"A number of companies have lately rewritten their all-risk policies so that replacements are not mentioned. However, it is still the practice of the majority of insurance companies to make replacements whenever possible and in most cases these are not at the retail price.

Original Jeweler Loses

"The jeweler places business with his local agent at the regular retail price and recommends to customers that they get their jewelry insured. Yet, we have found in the last two or three years, that when the customer has a loss, the adjuster for the company endeavors if possible to prevent the customer from making replacement through the jeweler from whom he bought the merchandise, suggesting instead that he take it to some upstairs source with the idea of replacing it at a wholesale or semi-wholesale price.

"Not only do we find that customers are not getting merchandise of the same value as that which was lost, but in a majority of cases the jeweler who made the original sale and who in many cases recommended the insurance in the first place, has lost a good customer through the machinations of the insurance adjuster. In other words, the insurance companies like very much to have the jeweler place his business at the regular retail price, yet when it comes to jewelry, they wish the privilege of buying their merchandise for any price and in any manner that they feel disposed."

National Board Reports

NEW YORK, Sept. 9.—Engineers of the National Board have completed surveys of Cleveland, Minneapolis and Jacksonville, Fla., in addition to several smaller communities. A survey of Cleveland was made six years ago. The city proposed a bond issue to be used to purchase additional fire apparatus in keeping with the city's growing needs.

Retaliatory Tax Measure Is Approved in Ontario

TORONTO, Sept. 9.—The lieutenant governor of Ontario has approved an order-in-council increasing the insurance tax on all premiums except life 0.66 2/3 percent on companies with home offices in Connecticut, Illinois, Iowa, Massachusetts, Missouri, Kansas, New Jersey, New York, Ohio, Pennsylvania, Virginia and Wisconsin; and .5 percent on Maryland companies. These states have been imposing a higher tax on Ontario companies than their home companies have been paying in Ontario.

Fire Companies' Semi-Annual Figures As Filed in Georgia

Anchor—Assets, \$1,969,454; capital, \$1,000,000; surplus, \$489,535; reinsurance reserve, \$418,849; premium income, \$204,294; losses, \$82,554; total income, \$250,810; total disbursements, \$249,219.

National Liberty—Assets, \$21,496,761; capital, \$10,000,000; surplus, \$2,532,515; reinsurance reserve, \$7,758,263; premium income, \$2,587,137; losses, \$2,719,563; total income, \$3,621,386; total disbursements, \$4,599,371.

Connecticut—Assets, \$19,966,497; capital, \$2,000,000; surplus, \$9,245,077; reinsurance reserve, \$6,995,882; premium income, \$3,042,385; losses, \$1,744,118; total income, \$3,473,214; total disbursements, \$5,539,861.

Boston—Assets, \$23,725,679; capital, \$3,000,000; surplus, \$12,453,528; reinsurance reserve, \$5,619,095; premium income, \$2,931,339; losses, \$1,647,834; total income, \$3,573,082; total disbursements, \$3,492,038.

British American—Assets, \$2,800,608; deposit, \$200,000; surplus, \$910,045; reinsurance reserve, \$1,436,518; premium income, \$696,053; losses, \$500,789; total income, \$780,484; total disbursements, \$905,744.

Citizens, N. J.—Assets, \$3,056,950; capital, \$1,000,000; surplus, \$990,393; total income, \$274,004; total disbursements, \$171,047.

Federal, N. J.—Assets, \$15,870,636; capital, \$2,000,000; surplus, \$8,348,229; reinsurance reserve, \$2,633,279; premium income, \$2,215,733; losses, \$718,249; total income, \$2,667,369; total disbursements, \$2,261,055.

Globe & Rutgers—Assets, \$85,457,952; capital, \$7,000,000; surplus, \$50,128,116; reinsurance reserve, \$25,730,129; premium income, \$11,915,691; losses, \$9,175,124; total income, \$14,449,616; total disbursements, \$16,501,422.

Granite State—Assets, \$3,831,615; capital, \$1,000,000; surplus, \$1,192,047; reinsurance reserve, \$1,465,873; premium income, \$597,876; losses, \$377,128; total income, \$689,894; total disbursements, \$765,139.

Hartford—Assets, \$92,552,406; capital, \$12,000,000; surplus, \$33,147,067; reinsurance reserve, not given; premium income, not given; losses, not given; total income, \$20,838,532; total disbursements, \$21,138,588.

North American—Assets, \$91,685,501; capital, \$12,000,000; surplus, \$43,198,080; reinsurance reserve, \$26,520,041; premium income, \$13,477,751; losses, \$6,910,608; total income, \$16,328,290; total disbursements, \$16,372,347.

London Assurance—Assets, \$7,580,973; surplus, \$2,899,840; reinsurance reserve, \$2,501,551; premium income, \$1,972,472; losses, \$1,071,687; total income, \$2,279,876; total disbursements, \$2,357,667.

National Union—Assets, \$70,393,306; capital, \$5,500,000; surplus, \$1,645,236; reinsurance reserve, \$11,333,143; premium income, \$5,431,052; losses, \$4,222,213; total income, \$5,984,396; total disbursements, \$7,216,870.

North River—Assets, \$19,436,168; capital, \$3,000,000; surplus, \$5,658,718; reinsurance reserve, \$7,837,547; premium income, \$3,468,003; losses, \$2,469,844; total income, \$4,013,701; total disbursements, \$4,631,218.

Newark—Assets, \$9,275,255; capital, \$2,000,000; surplus, \$2,644,829; reinsurance reserve, \$3,972,432; premium income, \$1,858,556; losses, \$976,533; total income, \$2,075,765; total disbursements, \$2,222,710.

Norwich Union—Assets, \$7,082,372; surplus, \$2,687,107; reinsurance reserve, \$3,805,303; premium income, \$1,704,289; losses, \$891,112; total income, \$1,854,336; total disbursements, \$1,935,877.

Occidental—Assets, \$3,781,800; capital, \$1,000,000; surplus, \$5,369,447; reinsurance reserve, \$896,425; premium income, \$435,468; losses, \$234,880; total income, \$520,897; total disbursements, \$476,290.

Old Colony—Assets, \$8,688,708; capital, \$1,000,000; surplus, \$5,369,447; reinsurance reserve, \$1,709,850; premium income, \$828,909; losses, \$419,553; total income, \$1,061,651; total disbursements, \$870,562.

Commercial Union Assurance—Assets, \$15,345,453; surplus, \$6,645,341; reinsurance reserve, \$6,856,940; premium income, \$3,865,889; losses, \$2,114,619; total income, \$4,299,311; total disbursements, \$4,971,719.

Patriotic—Assets, \$2,385,061; capital, \$1,000,000; surplus, \$437,998; reinsurance reserve, \$806,833; premium income, \$377,675; losses, \$217,603; total income, \$423,849; total disbursements, \$425,550.

Phoenix, Hartford—Assets, \$41,729,074; capital, \$6,000,000; surplus, \$20,728,173; reinsurance reserve, \$11,593,176; premium income, \$5,041,501; losses, \$2,890,253; total income, \$6,070,585; total disbursements, \$6,313,066.

Philadelphia F. & M.—Assets, \$5,202,245; capital, \$1,000,000; surplus, \$2,102,427; reinsurance reserve, \$1,549,655; premium income, \$752,249; losses, \$388,714; total income, \$899,499; total disbursements, \$814,360.

Phoenix, London—Assets, \$7,933,714; deposit, \$400,000; surplus, \$2,680,796; reinsurance reserve, \$4,306,254; premium income, \$1,894,225; losses, \$922,398; total income, \$2,081,556; total disbursements, \$2,650,650.

Royal—Assets, \$24,517,450; deposit, \$100,000; surplus, \$10,076,496; reinsurance reserve, \$12,303,251; premium income, \$5,120,903; losses, \$3,029,567; total income, \$6,575,597; total disbursements, \$6,840,403.

Rochester American—Assets, \$3,077,047; capital, \$1,000,000; surplus, \$1,568,213; reinsurance reserve, \$426,213; premium income, \$191,386; losses, \$106,197; total income, \$278,498; total disbursements, \$266,273.

Westchester—Assets, \$14,368,438; capital, \$2,000,000; surplus, \$3,961,599; reinsurance reserve, \$7,195,487; premium income, \$3,281,315; losses, \$2,093,827; total income, \$3,645,089; total disbursements, \$4,041,137.

Providence Washington—Assets, \$17,154,508; capital, \$3,000,000; surplus, \$7,760,375; reinsurance reserve, \$4,967,447; premium income, \$2,589,847; losses, \$1,739,661; total income, \$3,103,235; total disbursements, \$3,543,052.

Springfield F. & M.—Assets, \$33,850,304; capital, \$5,000,000; surplus, \$12,276,166; reinsurance reserve, \$14,678,240; premium income, \$6,865,054; losses, \$3,884,949; total income, \$7,620,995; total disbursements, \$7,745,345.

Glens Falls—Assets, \$20,511,127; capital, \$5,000,000; surplus, \$5,932,688; reinsurance reserve, \$7,731,600; premium income, \$3,966,791; losses, \$2,018,246; total income, \$3,966,791; total disbursements, \$2,018,246.

(CONTINUED ON PAGE 15)

Cosmopolitan Fire to Be Reinsured and Liquidated

BOUGHT SECURITIES AT PEAK

Started with \$1,000,000 Capital and \$1,500,000 Surplus—Wrote Over \$1,000,000 in Premiums

NEW YORK, Sept. 9.—The entire business of the Cosmopolitan Fire of this city, it was decided yesterday, will be reinsured in the American Equitable Fire, one of the Corroon & Reynolds group, if the reinsurance is sanctioned by the companies' directors and by the insurance department. It is further proposed to reduce the capital of the Cosmopolitan from \$1,000,000 to \$200,000, transferring the difference to surplus and then to declare a stockholders dividend reducing the latter item to \$100,000. The eventual liquidation of the company will likely result.

Beginning business late in 1928 with a capital of \$1,000,000 and a surplus of \$1,500,000 the Cosmopolitan was purchased by interests allied with the Lloyds Casualty in March 1930, when J. A. Blaney, previously vice-president and general manager, was elected president. In 1930 the company wrote over \$1,000,000 in net premiums, two-thirds on fire business and the balance on automobile risks. The expense of planting the company and shrinkage in the value of its assets, many securities having been purchased at peak prices, is held accountable for the decision of the management to retire the corporation.

Richards Goes with Branham Company as Vice-President

E. U. Richards, former assistant manager of the National Board and manager of the Eastern Automobile Underwriters Conference, who since 1929 has been vice-president of the Recording & Statistical Corporation of Chicago, has been elected vice-president and a director of the Ben P. Branham Company, Chicago, printers and publishers of books used by automobile underwriters.

A. R. Welde becomes vice-president-secretary and a director. The changes follow the death some months ago of Vice-President G. W. Richardson. Mr. Richards' early experience was in electrical work with the Ohio Inspection Bureau, engineering work with the National Board and improved risk work in the Continental of the America Fore fleet. Then he became secretary of the Eastern Union and was connected with the National Board and the Eastern automobile conference. He went into the printing business in West Virginia in 1920, doing much work for inspection bureaus in the west.

Hail Premiums Are Reduced But Losses Also Are Light

The hail season for growing crops closed Sept. 1 and liability under hail insurance ceases Sept. 15 save possibly in some Canadian northwest fields. Premiums are very light this year, according to the official of a company group writing a large volume of this business. His estimates is that premiums are only about 50 percent of those last year in the United States and 40 percent in Canada. A compensating factor was light losses and only had storms in the corn country before Sept. 15 could destroy the hope for a profit.

R. A. Whitlock's Change

R. A. Whitlock, formerly special agent for the Southern Fire, has been appointed special agent for the Automobile and Standard of Hartford in southern California.

CONDENSED NEWS OF WEEK

Situation in farm field explained by L. D. Goss at meeting of Iowa agents. **Page 3**

Companies interested in basis to be adopted by commissioners for valuation of securities. **Page 3**

Boston Board goes back to old constitution. **Page 3**

Cosmopolitan Fire to be reinsured in American Equitable and later liquidated. **Page 4**

Insurance activities of banks rapped by Walter H. Bennett at meeting of Iowa Association of Insurance Agents. **Page 5**

Jewelers protest method of adjustment on all-risk policies. **Page 4**

Blue Goose grand nest holding annual meeting in Milwaukee. **Page 3**

Massachusetts aroused over rate increase on compulsory auto liability; storm of protest hits statehouse. **Page 35**

C. B. Morcom, Aetna Life, says automobile merit rating must be reformed or abandoned. **Page 36**

Gross loss in embezzlement in Continental-Indiana bank, Chicago, set at \$3,666,000 by bank officials, with only \$2,000,000 London Lloyds cover. **Page 35**

Aide of Julius Rosenwald urges pushing group sickness insurance as boon to average working man. **Page 35**

Scores Insurance Activity of Banks

Bennett Says Encroachment Stifles Initiative of Small Business Man

ALLIANCE CALLED UNHOLY

Mentions Caldwell and Chicago Failures as Evidence Banking and Insurance Don't Mix

Appropriation by one industry of functions of other industries is as serious a menace to American business as government appropriation of private economic undertakings. This was the message of W. H. Bennett, secretary National Association of Insurance Agents, in his address before the annual convention of the Iowa Association of Insurance Agents at Sioux City.

Mr. Bennett made special reference to the tendency of banks to encroach upon insurance operations. He quoted the suggestion of an Iowa agent that it would be helpful if bank supervisors would restrict those institutions to the banking business. The agent quoted by Mr. Bennett said that the interjection of the banker into the insurance business interferes with private initiative on the part of the small business man.

Banks Become Menace to Insurance Business

"These bankers, largely without any knowledge of the business," Mr. Bennett asserted, "have so elbowed themselves into the affairs of their respective communities that they have become a menace instead of a benefit to the proper development of the business there. Naturally their sphere of influence is extensive."

"In the smaller places," he continued, "bankers have been attracted to insurance solely as a means of adding a substantial sum to their income. But proper protection, adequate service and complete coverage never entered their heads. These same ramifications led into the real estate business and many of these

(CONTINUED ON PAGE 15)

Dry-Cleaning Attempt Fatal to Agent's Pants

G. E. Hammel, fire insurance agent of Circleville, O., lost the seat of his . . . well, to be quite frank, his pants, this week because he failed to observe one of the most important rules laid down by fire preventionists: "Do not fool with gasoline."

Since his wife had gone to the country and he was preparing to attend a fire insurance convention, he essayed to dry-clean a pair of white trousers in the basement of his home. The gasoline was upset. A gas heater was nearby. Mr. Hammel attempted to turn off the gas, but just then things happened. The flame licked out and caught him in the rear.

Mr. Hammel succeeded in extinguishing the flames, but only after some damage to the aforementioned trousers, the claim on which was paid by a fire insurance company.

National Executive Committee Will Meet at Agua Caliente

Secretary W. H. Bennett of the National Association of Insurance Agents will leave the insurance commissioners convention at Portland, Ore., Tuesday night of next week for Los Angeles. He will arrive there Thursday morning and will confer with the Los Angeles agents convention committee concerning arrangements for the big convention the next week. From there he will go to Agua Caliente, a Mexican resort below San Diego, Cal., the home of President Percy Goodwin. The officers and executive committee will meet there for three days, arriving in Los Angeles Monday.

There is considerable speculation as to who will be elected chairman of the executive committee for the new term. W. B. Calhoun of Milwaukee, present chairman, will advance to the presidency. Evidently in the minds of association leaders no one is standing forth as a foregone choice. It even seems doubtful if any present member of the executive committee will be tagged for the place. Many are in no position to take it. Albert Dodge of Buffalo, former New York president and prominent at national conventions, may be the man but he is not a member of the executive committee.

Root Finds Much That Is Distasteful in Business

A. C. Root of Clinton, Ia., was outspoken in his denunciation of many present day practices in his address before the Iowa Association of Insurance Agents. "Are the Majority of Insurance Agents Just So Much Dead Freight?" was his topic. His answer being in the affirmative, gave him an opportunity to relieve himself of many grievances and healthy dislikes.

Mr. Root dwelt at some length on the indiscriminate appointment of agents, which he attributed to the greed of companies for business. "Companies are throwing all caution to the winds," he said, "by changing their entire structure with their ever increasing appointment of misfits, and placing them in command of the safety valves of the vessel, to assist in scuttling the ship."

Men at Meeting Are Excepted From Criticism

Mr. Root excepted in his denunciation the agents who were present at the meeting. They are the men who are interested in the future of the business, he said, and are the recognized insurance men of their community.

Many of those who were not at the meeting, he declared, are uninterested, know nothing of underwriting, take sides with the buyer on every occasion and consider price to be the only consideration.

Mr. Root took a somewhat radical view in expressing the opinion that local boards in smaller communities are not advantageous. In the smaller places, he said, where local boards are formed, one or two men who are leaders are called upon to cooperate with the incompetent agent and anyone else who sells insurance.

Reforming Producer Is Viewed With Suspicion

The agent who would reform conditions in his town is likely to be viewed with suspicion by the incompetent agents, Mr. Root declared. "We have seen specials and companies," he declared, "enlisted in an endeavor to undermine efforts for betterment that only resulted in owners becoming disgusted with incompetent agents and placing their business with outside brokers who have furnished rates and forms that would have been secured through local sources."

Mr. Root complained of the alleged

practice of some companies, when the agents enter objections to their behavior and threaten to sever connections, in hinting that the company, if resigned by the agent, would endeavor to hold its volume. In Clinton, he said, the expirations of an agent no longer with the company have been given to other agents for solicitation.

Other special agents, he declared, have threatened personally to go out after the business of the agent, who makes objection.

Suggests Commission on Basis of Agent's Value

The only solution, according to Mr. Root, is remuneration adjusted to present day recognized business methods, on volume, ability and service to customers. "There is no justification for the same return to incompetent agents," he declared, "who have only a small volume per company, with no service to the buyer. It is vitally necessary that there not only be a differential in commissions to the established producers, but incompetent and unposted agents should not be appointed, except to work through those knowing something of insurance, who will supervise and handle such business with an overriding profit for their work."

Mr. Root declared that the agents' qualification law does not go far enough to bring the relief needed.

Declares Association Is Dominated by Companies

Mr. Root declared that the Iowa association has been too much dominated by companies. "This association should be of, by and for reputable agents only, and until such an attitude prevails in their cooperation to work to that end, nothing beneficial is going to be accomplished." He declared that many executives are looking to the elimination of the agent.

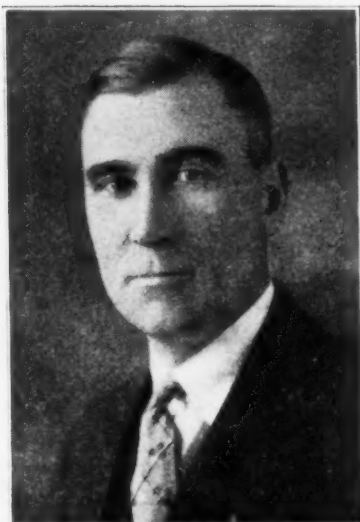
"In the matter of rates we must depend upon bureaus, with their complicated methods of compilation that no one understands," he said. "In the old days the agent talked to his customer in a language he understood, but now the technical man has enacted formulas that God Almighty cannot work out. Specials know no more about it and the only satisfaction from the company is that it is what the bureau prescribed."

(CONTINUED ON PAGE 12)

BLUE GOOSE OFFICERS AT MILWAUKEE GATHERING



H. CHURCHILL SMITH, Montreal
Grand Custodian of the Goslings



D. A. MCKINLEY, Spokane
Grand Guardian of Nest



L. H. BRIDGES, Omaha
Grand Keeper of Golden Goose Egg

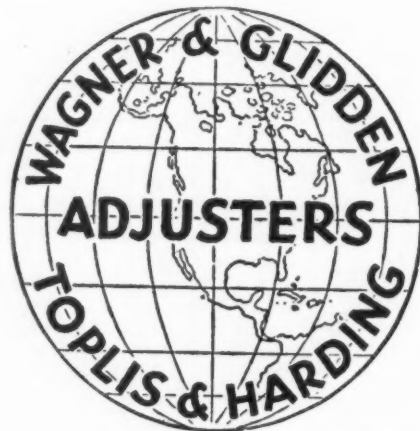


PAUL E. RUDD, Milwaukee
Grand Wielder of the Goose Quill



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ALL OVER THE
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CHICAGO — NEW YORK — PHILADELPHIA
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PARIS—MARSEILLES—NICE

Represented in every principal city in the world



Asks Aid in Anti-Fireworks Drive

The Iowa Association of Insurance Agents was asked by C. W. Borrett, Iowa state agent for the Hanover and secretary Iowa State Fire Prevention Association, to adopt a resolution favoring the fireworks ordinance, which is being sponsored by a special fire prevention committee. The committee, he said, is encouraging the passage and enforcement of an ordinance in every city and town in Iowa, prohibiting the storage, sale and use of fireworks. At the next session of the legislature, the committee will sponsor introduction of a bill which would make the fireworks ban state-wide.

Mr. Borrett invited the Iowa association to name a representative on this committee. Mr. Borrett declared that the intention is to keep the committee in existence for the purpose of supporting a general fire prevention law in Iowa. The agitation in favor of anti-fireworks legislation has been prompted by the conflagration in Spencer, Ia., which was started by a fireworks explosion.

Never Lost Customer by Suggesting Improvement

Mr. Borrett suggested other methods by which the local agents could support fire prevention. He exposed as fallacious the idea of some agents that business might be lost if removal of fire hazards is suggested to their customers. Mr. Borrett said that he has never lost a customer by suggesting improvements, and his suggestions are usually welcome.

Every local agent should be a member of the local fire prevention committee in his town, according to Mr. Borrett. They should be ready to serve on fire prevention committees and trade associations, or act in an advisory capacity for other committeemen.

Mr. Borrett suggested that agents ap-

proach the chamber of commerce in their town, suggesting fire prevention campaigns, similar to the one to be conducted by the Des Moines chamber of commerce this fall. A school of instruction is to be conducted in Des Moines at which fire prevention authorities will address factory and store fire prevention committees.

Agents should make National Fire Prevention Week, beginning Oct. 9, a real occasion in their cities. Citizens may believe that their towns are immune, Mr. Borrett pointed out, but despite that feeling in Spencer, Ia., in less than two hours \$1,200,000 of property went up in smoke there.

Fire prevention campaigns should not be limited to one week, he said, but should be continued throughout the year. Agents should see that the movement is a success in their town, by enlisting the sympathy of the mayor, fire chief, superintendent of schools, boy scout executives, contractors, attorneys, members of parents and teachers associations and womens clubs.

The fire prevention committees should work toward more efficient fire departments, better water supply and adequate fire fighting equipment. The fire department should be induced to make the regular inspections of schools and business properties. Ordinances should be modernized. The city councils of various towns should be induced to adopt ordinances based on the model general fire prevention ordinance.

Non-members Invited by I. A. C.

An invitation to non-member life, fire and casualty companies to attend the Toronto convention of the Insurance Advertising Conference Oct. 4-7, has been extended by President C. S. S. Miller.

The Tall Grown Company of the Tall Corn States

Like Iowa's famous corn, the growth of this company has placed it high in the field of Fire Insurance. Iowa has never had a crop failure; the Iowa National has never had a service failure. Iowa agents, who wish to guarantee to their clients, the best of fire, lightning, tornado and automobile protection, and the prompt settlement of their claims, will do well to place their insurance with this company.

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C. S. Vance
President

A. G. Maish
Vice President and Secretary

C. S. Miller
Treasurer

FIELD REPRESENTATIVES

J. D. Berry, Adjuster
R. R. Hufstader, Special Agent

W. N. Mintonye, Special Agent
John L. Peterson, Special Agent

Assets \$1,276,531.00

Capital, \$500,000.00

Insurance in force, \$100,000,000.00

**IOWA NATIONAL FIRE
INSURANCE COMPANY**
DES MOINES, IOWA



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Here, at the end of a network of wires that *begins at your desk*, are 70,000 cities, towns and villages in the United States and 8,000 in Canada.

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THE INTERNATIONAL SYSTEM

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Commercial
Cables



All America
Cables

Mackay Radio

THE SATURDAY EVENING POST

"Will you... look like..."

MR. S... a black... two ge... named... the fu... Smoke... "An'... went on... "that then... the situ... mean? Neit... with it. Neit... we want is fi... per cent, no... he has a fre... right or am I... "Quite right... Hope."

"Oke, dad... "Very fair... Byrd, present... gravity of the... Mr. Brodie... Irving Fidd... law and codi... cigarette in a... grinned. Mr... for his brother... continual flig... long business... focused, there... comment on th... tion."

"This is a... loked. "We b... erasing... Mr. Fidd... too gravely... continued... together... "shut up... erously... "W... brass tack... is the new... "The el... brother-in-l... "Enough... "Mr. Hope... say first. Th... these parties... in front of t... have to do so... is fair for the... y'understand... glared at hi... get along w... do ahead... Mr. He... the table... of paper... "Gent... story an... based on... to lay... smart... awayed... happen... ally hap... The pr... down th...

Don't Buy Stable-door Insurance

IT WON'T take you long to find out if you have had insufficient insurance or the *wrong kinds* of insurance when Fire, Windstorm or some other disaster damages your home. THEN you will be glad to buy the insurance you need NOW—anybody can lock the door after the horse is stolen.

But why wait to learn such an expensive lesson? In almost every important city and town in the country there is an ALLIANCE Agent who has the necessary knowledge and experience to plan *all-around* insurance protecting home-owners from nearly every eventuality. You will be surprised how little a really safe program of insurance will cost.

Ask your
ALLIANCE

Helping the Alliance Agent sell *more* insurance to each prospect.



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8th Floor, Hurt Bldg.

Changes in the FIELD

Goes with Fire Association

Hoyt Leech, Former State Agent for Globe & Rutgers in Mountain Field, Makes New Connection

DENVER, Sept. 9.—Hoyt Leech, who has been state agent in the mountain field several years for Morrison & Clark of Omaha, general agents for the Globe & Rutgers, has been appointed special agent for the Fire Association. This announcement has been made by L. D. Griffin, state agent of the Fire Association, whom Mr. Leech will assist. He will make his headquarters at 510 Patterson building with Mr. Griffin, and will travel in Colorado, Wyoming and western Nebraska for the Fire Association fleet. The Globe & Rutgers offices here have been closed, at least for the present.

Mr. Leech represented the Globe & Rutgers five years. He also traveled Wyoming for the Home of New York. He is a graduate of the Mountain States Inspection Bureau and for some time was the bureau's district inspector at Cheyenne, Wyo. For the next two months Messrs. Griffin and Leech will travel the mountain territory together in order to obtain a common understanding of conditions.

Haines Back at Old Office

Illinois Field Man for Scottish Union Returns to Northwestern F. & M. and Twin City

W. N. Haines has been appointed Indiana special agent for the Northwestern Fire & Marine and the Twin City Fire to succeed B. J. Moore.

Mr. Haines traveled the Illinois field four years ago for the Twin City and left to become associated with the Scottish Union. He is thus returning to old friends. He will maintain headquarters at Indianapolis.

FIELD CHANGES ANNOUNCED BY THE STUYVESANT GROUP

Field changes announced by the Stuyvesant, American Constitution and American Home include the appointment of J. N. Macfarlane as state agent for New York, the addition of Illinois, Iowa and Minnesota to the Missouri field, already supervised by State Agent R. M. Kimberly of Kansas City, and the accession of the Stuyvesant and American Home to the office of J. F. Zimmer of Lincoln, who for some time has been general agent in Nebraska for the American Constitution. Mr. Macfarlane is a graduate of the Stuyvesant's head office, with which he has been identified for several years.

A. T. Coates

A. T. Coates, former special agent for the Westchester in Kentucky under State Agent Sam Kennedy, who recently left that company, has gone with the field force of the Home of New York group in Kentucky as special agent under State Agent Marshall Mellor.

Railey Proposes Conference

A conference between fire company managers and the Louisiana commission upon the subject of rates is advocated by W. M. Railey of New Orleans, who attacked the companies before the commission recently, alleging they were not furnishing sufficiently detailed experience classification upon which to predicate proper rates.

AMERICAN INDEMNITY COMPANY GALVESTON

C. S. KUHN, Vice President

**COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS**

Desirable
general agency
contracts
available in
unallotted territory



Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

**FIRE
WINDSTORM
AUTOMOBILE INSURANCE**

**AMERICAN
Fire & Marine
INSURANCE COMPANY
GALVESTON**

E. C. FRENCH, Vice President

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SELECT PLACE FOR TOURNAMENT

The Underwriters Golf Association, an organization which includes more than 100 executives of fire, casualty and life companies from all parts of the country, has selected the Wampanoag country club at Hartford for the scene of its annual fall tournament, Sept. 22. Large attendance is expected, as the tournaments are noted for their popularity. E. S. Jarvis, of Howie, Jarvis & Wright is secretary.

RAILROADS CUT COVERAGE

The plight in which the railways now find themselves as a result of the falling off in both passenger and freight revenues has been followed by a reduction in their fire insurance coverages. Lines have been cut on warehouses, terminals, shops and rolling stock. The railways, in addition to reduced activity caused by the general business depression, are suffering in increased degree from the competition of passenger buses, and in their freight departments from that of inter-city truck lines. While none of the roads is talking of self-insurance, all are cutting their schedules to the lowest possible figure, materially reducing thereby the premiums of the railway writing insurance companies. Fortunately the reduction in income has been accompanied by a corresponding decline in fire losses, so that the ratio of incurred loss to premiums earned continues as about in former years.

SEEK TO RETAIN LINES

In the absence of new business offerings fire companies are concentrating in an effort to retain lines already on their books and find their time pretty well occupied in so doing. They are likewise pushing agents for overdue balances, prodding in such connection probably harder than they have done for a long time. Field men are instructed to aid local men in securing premiums from assureds where the latter have been unduly slow in making payments. While this cooperation is welcomed in some instances, it is objected to in others, leading to the conviction at head offices that not infrequently it is the local man and not the policyholder who has failed to "come across."

BUSINESS EVENLY DIVIDED

A study of the fire premium returns in Manhattan and the Bronx reveals that for the first half of the year the branch offices and straight agencies divided the income pretty evenly there being but a fraction of 1 percent difference between the two classes. There are 49 broker-agencies in the city—that is, brokers who also represent companies direct, the latter usually being the smaller members of important groups. The out-and-out agency offices, strictly barred from soliciting business direct from the assured and confined of necessity to getting patronage from brokers, are vigorous in their complaint about what they hold to be the unfair competition to which they are subjected because of the broker-agency move, though admitting they know of no means of stopping it. There continues a dearth of new business in the metropolitan district. All offices suffer because of it, and little hope is felt for an improvement at least through the rest of this year.

GOLD SHIPMENTS INSURED

From a study of the subject by the research department of the Continental it is revealed that the first eight months of the year gold to the amount of \$305,604,000 was imported to this country, as against \$273,802,000 in the same period of 1930. Exports of the metal, on the other hand, have been materially less, outgoing shipments from Jan. 1 to Aug. 31 totaling \$22,526,000 compared with \$90,524,000 in the first eight months of last year. July and August, 1930,

witnessed particularly heavy shipments of gold from this country.

Insurance covering international gold shipments "from bank to bank" is granted under ocean marine forms, while domestic consignments are protected by inland transportation policies, the indemnity being written by a number of companies, including the Continental. After allowing for shipments now en route here it is estimated the gold holdings in the United States approximate \$5,000,000,000.

INLAND MARINE FACILITIES

The Northern of London has established a complete inland marine department under the supervision of Oscar Snow, according to the announcement of R. P. Barbour, United States man-

ager. The Northern has arranged to have inland marine business reported in one account with regular fire business, at the proper rate and commission.

LUNCHEON FOR PITCHER

C. R. Pitcher, retiring manager of the Royal, was entertained by associates at a luncheon. Harold Warner, United States fire manager of the Royal, on behalf of Mr. Pitcher's associates, presented him a watch fob and radio set.

LONDON MEN HERE

R. Y. Sketch, general manager of the Phoenix of London, and John Pybus, chairman, who a few months ago succeeded Sir Gilbert H. Ryan, have been on a visit to the United States branches of the group. Mr. Pybus has sailed for home, but Mr. Sketch will remain for a short time.

BYERS HOME OFFICE SPECIAL

J. H. Byers has been appointed home office special agent of the inland marine

Hammond Made Secretary, Colvin National Councilor

At a meeting of the new executive committee of the Iowa Association of Insurance Agents, following adjournment of the annual convention, Mott Hammond of Des Moines was chosen secretary-treasurer of the state association. Fred W. Colvin, retiring president, was elected national councilor for Iowa. He will represent the state association at the Los Angeles Convention of the National association. Mrs. Colvin will accompany him to the coast city.

department of the Great American group under Manager J. J. Barghusen. He formerly was with the Commercial Union as manager of the inland marine department, and prior to that was special agent of the inland marine department of the St. Paul F. & M.



IT'S THE OLD TIME INSURANCE



IT'S THE OLD TIME INSURANCE



IT'S THE OLD TIME INSURANCE
BY AN OLD TIME COMPANY

HOWEVER, DON'T MAKE THE MISTAKE OF THINKING WE HAVE NOT KEPT UP WITH THE TIMES, FOR WE OFFER OUR AGENTS ALL THE FACILITIES ANY FIRE COMPANY CAN OFFER, BACKED BY THE EXPERIENCE OF THREE-QUARTERS OF A CENTURY.

The Phoenix Insurance Company
HARTFORD - CONNECTICUT

AS SEEN FROM CHICAGO

NELSON AND WIFE INJURED

V. M. C. Nelson, chief clerk in the western department of the Hanover and secretary to President C. W. Higley of the Hanover, was severely injured in an automobile accident near Libertyville, Ill. recently. Mr. Nelson is now at his desk again after having spent a week in the hospital. Mrs. Nelson, however, is still confined to the hospital at Libertyville, having sustained severe bruises

and concussion of the brain and a broken nose. She will recover, but will have to remain in the hospital for some time.

FOUR MAKE APPLICATION

Esmond Ewing and Harry C. Bean, secretaries of the Travelers Fire, have applied for membership in the Western Underwriters Association, as have J. W. Gregory, assistant western manager of the Crum & Forster fleet, and E. T.

Tanner, executive assistant in the western department of the Security of New Haven. Their applications are being voted on.

PAYS FOR RADIUM

The North British & Mercantile, which was a pioneer in the radium all-risks field, has just paid a loss of \$4,888 to the Cook county hospital in Chicago to cover the loss of seven needles of radium, which disappeared about a month ago after they had been used in a cancer treatment.

A thorough search was made by a representative of Toplis & Harding, using an electroscope. The drain pipes

of the Cook county hospital were exceptionally large, being about 4 inches, and there was almost an entire absence of catch basins, so that there was apparently little obstacle to impede the carrying away of the needles, which it was assumed were dumped carelessly in a sink.

The radium was replaced at the cost of \$70 per milligram.

W. U. A. MEN LEAVE SEPT. 12

The Chicago contingent which will attend the semi-annual meeting of the Western Underwriters Association to be held at Manchester, Vt., Sept. 15-16 will leave Chicago Sept. 12 on the New York Central train which draws out at 11:30 Chicago daylight saving time. They will get in two days of golf before the business sessions commence.

ON ROAD MONDAYS

One of the western managers has ordered his field men to change their habits and travel on Monday instead of spending that day at their headquarters. Saturday in the future will be the only regular day for the field men to be in their offices.

This manager believes that the practice of spending Monday in the office prevents special agents from getting the momentum that they would if they started on the road Monday morning. Furthermore, he feels that his men can get the jump on others by visiting agents while competitors are following the traditional system of staying inside Monday.

All executives these days are watching the methods of their field men carefully. Some managers feel that a radical change may be desirable. The plan of giving field men an expense allowance and putting them on a contingent basis is being suggested. A system of this kind would prompt special agents to arrange their schedules economically and logically. If the cost were coming out of their pockets, they would not be so likely to jump from one town to another, involving a trip of 100 miles or so. They would be likely to work one section of their territory thoroughly before moving on and would be more likely to spend more time with an agent to insure greater return rather than to cover as much territory as possible in order to impress their superiors with their efficiency.

W. R. TOWNLEY MARRIED

Wellington R. Townley, secretary-treasurer of the Underwriters Salvage Company of Chicago, was married last week to Mrs. Bella Madden Lester of Toronto, Can. Mr. and Mrs. Townley returned to Chicago immediately after the wedding and are now at home at 5546 Blackstone avenue. Mr. Townley was for many years western general agent of the Western and British America with headquarters at Chicago. When those two companies were taken into the Crum & Forster fleet he assumed his present position.

BRENNAN AT IOWA MEETING

J. A. Brennan, manager western department W. H. McGee & Co., well known marine underwriters, attended the Iowa agents' convention at Sioux City last week. Mr. Brennan also spent some time visiting his Iowa agents. His office has supervision over 18 western and middle-western states.

CHICAGO BOARD COURSES START

Courses sponsored by the Chicago Board in association with the Insurance Institute of America, fire companies and other organizations will start soon. First will be the class on Dean schedule, which starts Sept. 21. It will be held Monday evenings from 5 to 6:30 p. m. in the board rooms, continuing until the holidays, and is to be directed by R. A. Parker and R. T. Nelson, Chicago Board, both of whom will lecture.

Northwestern University class in fire insurance starts Sept. 23. Mr. Nelson will lecture before evening sessions, and C. P. Holmes, Western Actuarial Bu-

When you are working on a big account and strike a snag that baffles you—then you want help and you want it quickly. Here's what a Citizens agent thinks of our service:

"State Agent Mr. — has been very helpful to me not only in servicing some lines—but also his extreme willingness to come to our assistance when called upon."

If you need a fire insurance company whose "extreme willingness" to help you at all times is outstanding, write our Executive Office

**CITIZENS
INSURANCE
COMPANY
OF NEW JERSEY**

**EXECUTIVE OFFICE
HARTFORD, CONN.**



reau, and W. R. Townley, Western Underwriters Association, will lecture to the other classes. The senior institute class will start Oct. 7 and the junior and intermediate classes Oct. 8. These three classes will run until April 14 when final examination will be held. Mr. Nelson and J. R. Neale, chief engineer Chicago Board, will lecture before and direct the junior and intermediate classes.

Senior classes will be held in the board rooms Wednesdays from 5 to 6 p. m., junior classes Thursdays from 5 to 6 p. m., and intermediate classes from 6:30 to 7:30 p. m. Thursdays.

R. N. CRAWFORD IS BEREAVED

R. N. Crawford, head of the Chicago agency bearing his name, is bereaved by the death of his mother, Mrs. Dollie H. Crawford, who was 68 years of age. Mrs. Crawford was the widow of S. N. Crawford, who was connected with Fred S. James & Co., holding the title of vice-president, and was one of the big personal producers of business in his day, controlling several large accounts. After R. N. Crawford started his agency, Samuel Crawford joined that organization.

LIPPINCOTT IS JOSHED

The staff of the Western Adjustment is joshing Assistant Manager R. R. Lippincott having come upon a story in the Riverton, N. J., "News," captioned "Dick Lippincott Wins Golf Crown." Mr. Lippincott has just returned from his vacation in Wisconsin.

EXAMINERS TO HEAR BRUMBAUGH

The Association of Fire Insurance Examiners of Chicago is to meet Sept. 17, probably at the Fort Dearborn hotel, to hear John Brumbaugh of the Central Actuarial Bureau talk on "Sprinkler Equipment." This is the first regular monthly meeting of the season.

Revision of Blanket Rates for Manufacturers Urged

NEW YORK, Sept. 9.—In the light of the sharp reduction in the prices of many commodities of general use, ranging from 25 to 33 percent, and even more on certain products, fire company officials are convinced that a revision of blanket rates on many manufacturing plants throughout the country would be in order, and are wondering why it has not been undertaken.

It is pointed out, for example, that under 100 percent blanket cover a large percentage of the total value hitherto has been assigned to warehouses storing either the raw product or the finished article, while a comparatively small percent of the indemnity has been assigned to the more hazardous and higher rated unit in which manufacturing operations are conducted. The reverse of this distribution of values exists in many cases today, so that in the event of fire the adjustment would be made on reduced values in the better protected and lower rated sections of the plant, while the large values would be in the hazardous manufacturing unit. As the blanket rate in force was based on the former distribution of values, changed conditions, it is held, should result in an upward revision of the over-all rate.

Northwestern F. & M. Display

A number of leading agencies for the Northwestern Fire & Marine are making use of a new and brilliant window display which is being furnished to stimulate business for certain agencies having suitable front window space.

The display is of the wing type with three panels. It is constructed of heavy wall board and is brilliantly processed in seven colors. The center panel is so constructed that window posters may be inserted and these are furnished in connection with the display. An attractive hand-lettered agency imprint card is furnished with each sign.

Factory Mutuals Agree to Give Van Schaick Rate Data

NEW YORK, Sept. 9.—Representatives of the senior factory mutuals, at a hearing before Superintendent Van Schaick, promised to furnish data on which their rating schedules are based. When the material is received it will be reviewed by the department staff, and if found satisfactory accepted. Otherwise it will be returned for revision. The hearing followed the issuance by the superintendent of a circular letter to all mutuals operating in the state, call-

ing attention to Section 141 of the insurance law, which requires filing with the department, whenever asked for, of "any and every rate manual, schedule of rates, rating plan and other information concerning such rates" as may be deemed pertinent. For some reason this material has not been furnished since 1924, the companies formulating their rating programs without regard to whether they would prove acceptable to the department or not. Superintendent Van Schaick, when the omission was brought to his attention, took steps to see that the law should be obeyed. His demand on the mutuals brought forth the latest announcement.

Secretary Bennett Visits Council Bluffs Association

Secretary W. H. Bennett of the National Association of Insurance Agents spent three days last week at his old home at Quincy, Ill. En route to Sioux City to address the annual meeting of the Iowa Association of Insurance Agents, he stopped off at Council Bluffs. He was met at the train by a committee of the local agents organization and at a lunch at which were present all members except one, he gave a stirring talk.

Our Apologies

We regret that we cannot appoint all the interested insurance men who apply to the Ohio Farmers for agencies. Many applications are from territory in which we are not entered.

Following is a list of states where Ohio Farmers service and reputation can be extended to exceptional agencies.

Arizona	Massachusetts
California	New Jersey
Connecticut	New York
Delaware	Ohio
Illinois	Pennsylvania
Indiana	Rhode Island
Iowa	Utah
Maryland	Wisconsin



OHIO FARMERS INSURANCE CO.

Organized 1848

Le Roy

Ohio

The Ohio Farmers Insurance Company owns and operates the Ohio Farmers Indemnity Company, a casualty insurance running mate.

Fitted by experts, custom-tailored local-agency advertising is sure to register results.

Real custom-tailored advertising to fit an agency's needs involves research; copy-writing; illustrating; and modern, diversified methods. This practical co-operation may be obtained through OUR Advertising Department—upon request.

Each agency's problems are studied carefully, and

Every modern method is used to produce a custom-tailored, made-to-fit, advertising campaign for that Local Agency.



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As conditions improve there are cumulative opportunities not only to increase the old-time, staple lines but to diversify your business by providing the less familiar lines to cover new hazards.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Sept. 5

Stock	Par	Share	Bid	Asked
A. Lincoln Life	20	1.60	37	77
Aetna Cas.	10	1.60	73	78
Aetna Fire	10	2.00	41	43
Aetna Life	10	1.20	40	42
Agricultural	25	4.00	90	100
Amer. Alliance	10	1.60	23	25
Amer. Equitable	5	1.20	10	12
American, N. J.	5	1.00	14½	15½
Amer. Surety	25	4.00	45	47
Automobile	10	1.20	24	26
Baltimore Amer.	5	.80	8½	9½
Bankers & Ship.	25	3.50	92	102
Boston	100	16.00	475	500
Brooklyn	5	1.20	7	9
Carolina	10	1.50	21	23
Gen. Life, Ill.	20	.80	28	32
City of N. Y.	100	16.00	215	235
Contl. Assurance	10	2.00	59	61
Continental Cas.	10	1.60	25	26
Continental	10	2.40	37	39
Federal Life	10	1.00	13	16
Fid. Phenix	10	2.60	40	42
Fireman's Fund	25	5.00	75½	78
Fireman's F. Ind.	25½	29
Firemen's	10	2.20	21	23
Franklin	5	1.60	21	23
Glens Falls	10	1.60	41	44
Globe & Rutgers	100	24.00	475	500
Great Am. Fire	10	1.60	22	24
Great Am. Ind.	10	...	15	18
Great Lakes	10	1.00	...	10
Halifax Fire	10	1.20	16	18
Hanover	10	1.60	27	29
Harmonia	10	1.80	20	22
Hartford Fire	10	2.00	55	57
Htfd. St. Boiler	10	1.60	60	62
Home F. & M.	10	2.00	29½	32
Home, N. Y.	10	2.00	29	30½
Homestead	10	1.30	16	18
Ins. Co. of N. A.	10	*2.50	48	50
Line, Natl. Life	10	*2.50	36	40
Missouri St. Life	10	1.20	14	16
National Cas.	10	1.20	15	17
National Fire	10	2.00	53	55
National Liberty	5	.50	7	8
National Surety	10	2.00	29	31
National Union	100	...	85	95
New Brunswick	10	1.80	20	22
New Hampshire	10	*1.70	48	52
No. Amer. Life	5	1.00	15	17
Northern, N. Y.	25	4.00	60	70
North River	10	2.00	30	32
N. W. National	25	5.00	92	100
N. W. Natl. L.	...	5.00	11	13
Occidental	10	...	17	20
Ohio Natl. Life	10	...	29	33
Old Line Life	10	1.50	22	24
Pacific Mut. Life	10	2.40	50	51
Peoples National	5	.50	4½	5½
Phoenix, Conn.	10	2.00	60	63
Prov. Wash.	10	2.20	41	43
Rossia	10	2.20	17	19
Springfield	25	4.50	96	100
St. Paul F. & M.	25	6.00	152	158
Sun Life	100	25.00	1075	1150
Travelers	100	*22.00	725	750
U. S. Casualty	25	4.00	38	42
U. S. Fire	10	2.40	40	43
U. S. Mer. & Sh.	100	16.00	260	280
Westchester	10	*2.50	34	36

*Extra dividend paid.

Cravens, Dargan & Co. Views on Delinquent Agencies

Cravens, Dargan & Co., general agents at Houston, Tex., in their house organ, say they have about decided from a number of experiences they have encountered that when an agent asks for extra time in payment of balances he is usually insolvent. They also make the statement that the agents who are slowest in paying are usually the best collectors. This firm found that in a recent case an agent appealed for more time and it was discovered that he had collected a considerable portion of his current month's premiums. The firm says, "An agent who wants time should have his books audited and should submit a statement of his financial condition just as he would at the bank if applying there for money. Agents seeking additional time often misrepresent the condition of their affairs."

Armstrong Not to Attend

Commissioner C. F. Armstrong of Pennsylvania advises that he will be unable to attend the annual gathering of the National Convention of Insurance Commissioners in Portland. Mr. Armstrong was to have discussed the paper to be presented by Commissioner McQuarrie of Utah.

Chicago Agents to Meet Tuesday; Control Plan Up

The new Chicago agents' association, it is tentatively planned, will hold its first formal meeting of the whole Tuesday, Sept. 15. It probably will be in the Chicago Board auditorium.

There has been no meeting of the general agents' committee on the Chicago Casualty Control project since a proposal containing among other things a request for 10 percent overriding commission was submitted to a committee of branch managers headed by H. B. Bale, Standard Accident.

The managers have not indicated their attitude on the items in this proposal, but they met to consider it a few days ago and another meeting is to be held Thursday.

General agents are firm in their stand that something must be done to relieve their situation. One veteran general agent said this week that his overhead, even by rigid economy, runs about 7 percent of premiums, but on some covers he gets a net commission of only 5 percent.

Root Finds Much That Is Distasteful in Business

(CONTINUED FROM PAGE 5)

Iowa, he said, has been the experimental ground for rates by the actuarial bureau.

"The desire of some companies to eliminate the agents and their compensations," he declared, "may soon be a real menace, so all who have worked to support and help build up these growing stock company hypocrisies, should begin to think of their own salvation, as the day of the semi-incorporated companies or general sales agencies, to cooperate with the smaller companies as reinsurers, is not far distant if the business worked up by the old producers is to be preserved and increased."

Mr. Root favors the principle of reciprocity, but he declares that the companies cannot conscientiously demand that the agents follow the practice "after their executives have been criticized for depriving others of a profit on business they control in the organization of their printing and other establishments. Also you know these men are always seeking wholesale prices on what they buy for themselves and desire to be allowed to follow this course for replacements and the adjustment of losses."

Company Figures Confused

In the Sept. 3 issue, the semi-annual figures of the Franklin National of the National of Hartford group, were presented as being those of the Franklin Fire of the Home of New York group. The Franklin National shows: Assets, \$3,112,924; capital, \$1,000,000; surplus, \$978,335; reinsurance reserve, \$725,657; total income, \$393,213; total disbursements, \$375,063.

Rossia Withdraws from Canada

The Rossia has withdrawn from Canada. All its Canadian business is being taken over by the Eagle Star & British Dominion group under the managership of J. H. Riddell, Toronto.

State Agent, 12 years' experience Kansas, Nebraska and Iowa desires position as field man or would take company on general agency basis. Address **U-18**, The National Underwriter.

CLAIM ADJUSTER

Man thoroughly familiar with all kinds of auto, burglary, general fire, compensation, and other lines desires connection with established company in claim department. References given. Address **U-17**, The National Underwriter.

Late News from the Casualty Field

Van Schaick Modifies Ruling

New York Superintendent Makes Change in Brokerage on Taxicab Risks After Hearing

Acquisition cost of taxicab business was delved into by Superintendent Van Schaick of New York at a hearing attended by representatives of seven mutuals and three stock companies actively writing taxicab risks in the New York Metropolitan area, and by members of brokers' associations. Mr. Van Schaick after the hearing partly modified his former ruling to the effect that in future, brokerage commission on individual cars placed by brokers operating entirely on their own account shall be limited to \$2 per car per month; on brokers operating from companies' offices with service supplied by the companies, 5 percent; total limitation of acquisition costs, including service rendered by companies' offices or their agents, not exceeding 7½ percent in the aggregate.

He requested the companies to get together and agree on quotas of volume and warned that rebating must be entirely discontinued.

Covers Air Travel

NEW YORK, Sept. 9.—The Fidelity & Casualty has brought out an air travel accident policy along the lines of railroad accident tickets, insuring passengers while flying, or entering or leaving airplanes, on regularly established routes. The rate is 35 cents per \$1,000. Policies are issued in amounts of \$1,000, \$5,000 and \$10,000.

Favor Compulsory Insurance

RICHMOND, VA., Sept. 9.—Virginia bus and truck operators are advocating the adoption of a law providing for issuance of drivers' licenses based on examination and for compulsory liability insurance on all classes of motor vehicles. This plan was proposed at a meeting of the special commission named by Governor Pollard to investigate the bus and truck problem.

Warning for South Dakota

Warning against the Southwestern Underwriters of Huron, S. D., has been issued by the insurance department of that state. While the company has been incorporated, it has not been licensed, and the insurance department has brought suit to dissolve the corporation and annul its charter. One policy contract of the company, recently issued, and submitted to the South Dakota department for review, was counter-signed by the Southwestern Underwriters Agency, H. B. Casey, agent or attorney. The policy was issued through the Associated Underwriters Agency, New Albany, Ind., of which R. O. Davis is president. For many years New Albany, Ind., has been a hot spot in the wildcat insurance field.

Wilson Gets Medal

W. Owen Wilson, president of the Virginia Association of Insurance Agents, was presented this week with a 25-year service medal by the Continental. He is president of the Fry-Jordan Wilson agency, South Boston, Va., which has been representing the Continental continuously since 1906. He is also president of the Davenport Insurance Agency of Hopewell and vice-president of the Davenport Insurance Corporation of Richmond, both of which represent the American Eagle, another of the American Fore group.

Giberson Would Cut Off the House Organs at This Time

J. A. Giberson, prominent local agent at Alton, Ill., in the course of a talk at the Iowa Association of Insurance Agents at Sioux City, paid his respects to company house organs. He feels for the most part they are superfluous. Mr. Giberson declared companies could well cut off the expense of preparing and getting them out during these days when all items of expenditure are carefully scrutinized. He does not find that they are read by agents to any great extent.

They are thrown in the waste basket very frequently. Mr. Giberson does not believe the expense of publishing these house organs is justified these days.

In some of these, extraneous matter is introduced such as jokes, popular articles, cuts, etc. He thinks such material is a dead loss in an agent's hands, as he has more stuff now than he can possibly read.

Hold Accounting School

H. P. Cooper, secretary of the National Association of Mutual Insurance Companies, announces that a feature of its annual convention to be held in the

Stevens Hotel, Chicago, Oct. 6-7, will be a training school on accounting, conducted by G. A. MaDan, sessions of which will be held Tuesday and Wednesday. There will also be two study periods each day of an hour and a half each, for consideration of such subjects as accounting, adjusting, inspection, classification, underwriting, reinsurance, education and promotion.

An exhibit of advertising material used by member companies is being assembled which it is anticipated will be studied with interest. Many of the mutuals have been giving much more attention to such material in recent years.



● A magazine comes in the mail. It impels reading and reasoning. ● A prospect down the street—a case similar to that on page two. ● The article which follows you mentally note to take up later. And you carefully file THE ACCELERATOR—zealously save THE ACCELERATOR—religiously read THE ACCELERATOR—if you are eligible to receive it. ● Send for a copy and our new booklet "Making More Money".

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
 87 Kilby Street, Boston, Massachusetts

REPUBLIC

AUTOMOBILE INSURANCE CO.

HOME OFFICE DETROIT, MICHIGAN

Gold Seal Automobile Protection has brought driving freedom to over 50,000 satisfied Republic policyholders. Agents find it easy to renew Republic specialized automobile policies year after year.

The Republic Special

An "Exclusive
Automobile Writing Company"

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OPEN in
Ohio
Illinois
Indiana
Michigan
Kentucky



FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

The RELIABLE FIRE INSURANCE COMPANY

DAYTON, OHIO

Surplus to Policyholders \$1,069,375

An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds

EXCLUSIVE FRANCHISES

can be secured now for the new 1932 Insurance Calendar especially designed for selling insurance by The National Underwriter. It is a twelve-sheet brown rotogravure calendar with a different seasonal insurance selling picture for each month. The pad is mounted on a 15 1/2 by 9-inch colored back. Your name appears at the top where it strikes all eyes. Attach this advertisement to your business card and mail it today along with 10 cents in stamps for a sample calendar and full information regarding exclusive franchise in your city.

THE NATIONAL UNDERWRITER
A-1946 Insurance Exchange, Chicago

Give Indiana Experience by Classes for 5 Years

Underwriting experience by classes for stock fire insurance companies in Indiana for the year ending Dec. 31, 1930, with a comparison for five years has been prepared by C. A. Woerner, rate supervisor of the Indiana department. The report shows a loss ratio of 68.2 percent for the total fire insurance business of the state for the year, premium receipts being \$12,800,943, with \$8,733,892 losses. Acquisition cost was 47.2 percent.

Brick protected risks showed a loss ratio of 62 percent; frame protected, 52 percent; brick and frame unprotected, 98 percent; fireproof protected and unprotected, 6 percent; special risks, 79 percent. In the special risks division, it is notable that especially heavy loss ra-

tios are shown for the following classifications: Tobacco warehouses, 496 percent; metal workers, 213; cereal and flour mills, 284; grain elevators and warehouses, 112.

Mr. Woerner attributes this unfavorable experience of the stock fire companies to selection against the stock companies as result of mutual competition. "The mutuals get the best risks in these classes because of their methods of selection of business and close contact with their members who are required to maintain high standards of fire prevention," Mr. Woerner commented. "The stock companies are pretty apt to get a lot of business that the mutuals will not accept, owing to certain hazards." The table follows:

Class Name	Brick Protected		Frame Protected	
	Loss Ratio to Risks Written	Premiums	Loss Ratio to Risks Written	Premiums
Churches	1.44%	\$113,537	27%	\$30,827
School, public bldgs.	.03	454,101	.47	28,718
Dwellings	.66	281,130	.55	2,867,594
Mercantile buildings	.61	980,150	.29	426,366
Mercantile contents	.80	971,702	.50	253,820
Totals		\$2,800,620		\$1,741,515
				\$3,607,325
				\$1,855,257
Class Name	Brick & Frame Unprotected		Fireproof Protected and Unprotected	
	Loss Ratio to Risks Written	Premiums	Loss Ratio to Risks Written	Premiums
Churches	29%	\$33,318	1.77%	\$1,779
School, public bldgs.	.83	257,450	.06%	\$5,090
Dwellings	1.21	508,366	.13	12,397
Mercantile buildings	.65	143,615	.07	65,012
Mercantile contents	.88	148,724	.04	47,879
Totals		\$1,091,473		\$1,067,208
				\$162,157
				\$10,615
Special Risks	Loss Ratio to Risks Written		Premiums	
	Loss Ratio to Risks Written	Premiums	Losses	
Seasonal cottages	88%	\$7,490,887	\$92,887	\$81,928
Farms	102	178,842,808	1,278,658	1,309,179
Cotton warehouses		5,000	101	
Tobacco warehouses	496	2,148,777	7,157	35,537
Woodworkers	55	8,679,081	162,159	90,076
Metal workers	213	36,822,249	324,469	690,688
Textile workers	37	6,929,222	94,891	34,858
Mining risks	18	9,160,711	81,411	14,827
Cotton gins				
Cereal and flour mills	284	2,744,331	43,856	122,654
Grain elevators and warehouses	112	9,573,000	95,730	107,353
Mfrg. special hazards not otherwise classified	49	46,494,836	506,237	247,134
Oil risks—vegetable		11,840	431	
Oil risks—mineral	12	13,027,162	96,401	12,101
Food and food products factories	60	21,219,110	271,236	162,673
Sugar houses		664,500	4,798	150
Cotton compresses				
Cotton yards				
Lumber yards	7	7,601,003	68,368	4,880
Non-manufacturing special hazards	41	95,578,583	1,146,943	470,234
Railway, traction and lighting properties	110	105,910,524	336,441	373,195
Tobacco barns	107	43,050	861	925
Sprinklered	57	165,728,182	527,103	300,906
Totals		\$718,674,856	\$5,139,368	\$4,059,297

RECAPITULATION

	Loss Ratio	Risks Written	Premiums	Losses
Brick protected	62%	\$266,193,012	\$2,800,620	\$1,741,515
Frame protected	52	539,815,384	3,607,325	1,855,257
Brick and frame unprotected	98	118,591,492	1,091,473	1,067,208
Fireproof protected and unprotected	6	49,995,876	162,157	10,615
Special risks	79	718,674,856	5,139,368	4,059,297
Grand totals	68.2%	\$1,693,270,620	\$12,800,943	\$8,733,892
Acquisition cost	47.2%			

Five-Year Tabulation

BRICK AND FRAME PROTECTED

Year	Business Written	Premiums	Losses	Loss Ratio
1926	\$961,428,409	\$7,479,155	\$3,780,379	50.5%
1927	879,033,365	7,136,366	2,954,063	41.3
1928	945,355,482	7,489,567	3,619,032	48.3
1929	998,157,201	7,551,429	3,210,366	42.5
1930	856,004,272	6,570,102	3,607,387	54.9
Total	\$4,639,978,729	\$36,226,619	\$17,171,227	47.4%

BRICK AND FRAME UNPROTECTED

Year	Business Written	Premiums	Losses	Loss Ratio
1926	\$183,427,369	\$1,411,526	\$829,244	58.7%
1927	174,199,368	1,338,059	739,316	55.2
1928	122,213,306	1,115,026	876,969	78.7
1929	125,574,227	1,152,314	786,136	68.2
1930	118,591,492	1,091,473	1,067,208	94.1
Total	\$724,005,762	\$6,108,398	\$4,298,873	70.4%

SPECIAL HAZARDS

Year	Business Written	Premiums	Losses	Loss Ratio
1926	\$771,113,897	\$5,721,403	\$3,469,012	60.6%
1927	787,724,554	5,725,347	3,565,405	62.2
1928	741,885,582	5,317,821	2,989,588	56.2
1929	842,160,670	5,633,074	3,200,989	56.8
1930	718,674,856	5,139,368	4,059,297	78.9
Total	\$3,861,559,559	\$27,537,013	\$17,284,291	

Frame, brick prot.	4,639,978,729	36,226,619	17,171,227
Frame, brick unprot.	724,005,762	6,108,398	4,298,873
Total all	\$9,225,544,050	\$69,872,030	\$38,754,391

LOSS RATIO 5 YEARS

Frame, brick unprotected	47.4%	Loss ratio all	55.4%
Frame, brick unprotected	70.4	Expense ratio	47.2
Special hazards	62.8		

Iowa Agents Hear New Farm Gospel

(CONTINUED FROM PAGE 3)

facilities in determining actual value. He pointed out that a model house or barn on an exhibition platform would have a definite value based solely on the material and labor, while located on an Iowa farm might have an entirely different value.

If the cost of the building was \$5,000 on a \$20,000 farm this cannot continue to be worth \$5,000 when the value of the farm depreciates to \$8,000 or \$10,000, Mr. Goss observed. "Too many times the farm owner is willing to admit the deflation of his acreage, but is unwilling to recognize the proportional deflation of his buildings," he said.

Many Inactive Volcanoes That May Erupt Any Time

"If this \$5,000 building erected some years ago on the \$20,000 farm should be destroyed," he continued, "the farmer would be quick to see the inconsistency of putting up another \$5,000 dwelling on his farm now worth \$10,000. If he had insurance based on replacement costs, he would build in correct proportion if he was a prudent business man and would fatten his bank account with \$1,000 or so of the insurance money. The farm underwriter knows that every such situation is like an inactive volcano which may break out at any moment."

The utility factor must be adequately weighed in estimating the value of a farm building, Mr. Goss declared. "The transition from a horse age to the power and machinery age, abandonment of certain lines of farming and adoption of others are likely to render some of the buildings practically useless and therefore next to valueless."

Cattle Barn Burns But No Cows to House Anyway

Mr. Goss related the story of a barn which burned, the insurance on which for \$3,000 was written four years ago. The barn was empty and of no use. Mr. Goss said that he talked to the owner, who said the barn was built to care for his cattle and he was no longer in the cattle business. It is always advisable to investigate a second barn on a farm to determine whether it is being used. If it is not being used, it is a great mistake to place insurance on the basis of its physical value.

On top of the special farm afflictions, Mr. Goss observed has come a decline in material and labor costs. Consequently, a building insured at 75 percent of its value five years ago, is now insured for 100 percent because it is worth that much less now, in addition to natural depreciation.

Mr. Goss summarized the unfavorable farm factors as being the deflation of land with the tendency to hold buildings at their original value; changes in conditions, methods and ideas causing a reduction in the utility of many buildings; radical decline in building costs, causing heavy and immediate depreciation.

Where over-insurance exists, the insurer, instead of being a protector against accidental disaster, stands in the position of a preferred purchaser.

Without undertaking to estimate the proportion of farm fires, involving moral hazard, Mr. Goss declared that there were undoubtedly many.

"The mortgage is pressing; the interest and taxes are high; crops are poor. Things are not going well. A less pretentious house would do as well; a smaller barn would serve every reasonable need; this old furniture wouldn't bring at auction half the amount offered by the insurance company. Who will sell? Many will be tempted. Not so many will yield. We should be willing to face the facts."

Farm insurance selling challenges the best abilities of the best men, according to Mr. Goss. It is no longer a hap-hazard, catch-as-catch-can business.

Blue Goose Grand Nest in Session

(CONTINUED FROM PAGE 3)

nois. Mortality rate has been about the same as with the Texas Prudential and the American National of Dallas, the previous carriers, except that the last three months mortality has not been so unfavorable.

Surprisingly an increase in membership was reported and the treasury situation has improved.

Rose Makes Recommendations

Mr. Rose, in his address as most loyal grand gander, laid down a number of specific recommendations. He advocated uniform dues for all ponds, which he suggested should be \$6. He also urged that elevation through the various official ranks in the ponds be on the same basis as in the grand nest.

Mr. Rose urged introduction of insurance educational features in the ponds and the creation of fire prevention committees. He recommended creation of a membership committee in each pond to indorse applicants for work only after a ten-day investigation.

Proposes Fellowship Fund

The most loyal grand gander recommended setting up a fellowship fund in each pond to be maintained, if necessary, by art allocation from the dues and to be administered by a committee or trustee. Mr. Rose favors social events for the ponds wherein the women participate. He also advocated admitting casualty men to the order.

He urged a measure making it mandatory for each new member to take group life insurance. This system would soon raise the insured ratio, he said, to 75 percent, which the Lincoln National demands. He suggested that the ponds pay the premiums of unemployed members from their fellowship funds.

Mr. Rose recommended that a charter be granted to the Arizona pond, which is now a puddle affiliated with the California pond.

Mr. Rose recalled that, despite the hunting accident, which necessitated amputation of a leg, he has visited 41 ponds and one puddle. He instituted the Penn pond at Philadelphia. Mr. Rose's friends were distressed to hear that he must submit to another operation Monday for the removal of a tumor on his chest, the result of the gun rebounding at the time of the accident.

Yesterday was devoted to golf and other forms of diversion. There was a sightseeing trip in the afternoon, Dutch lunch and theater in the evening. This evening a boat ride is scheduled and tomorrow night the banquet, at which Ernest Palmer, manager of the Chicago Board, will act as toastmaster.

Semi-Annual Fire Company Figures Filed in Georgia

(CONTINUED FROM PAGE 4)

income, \$4,488,909; total disbursements, \$4,746,451.

Hudson—Assets, \$3,825,359; capital, \$1,000,000; surplus, \$533,106; reinsurance reserve, \$1,956,073; premium income, \$879,317; losses, \$654,891; total income, \$996,054; total disbursements, \$1,322,326.

Camden—Assets, \$13,128,264; capital, \$2,000,000; surplus, \$4,613,448; reinsurance reserve, \$5,361,371; premium income, \$2,738,377; losses, \$1,541,593; total income, \$3,248,495; total disbursements, \$3,168,633.

Southern Fire, N. C.—Assets, \$613,438; Capital, \$200,000; surplus, \$230,697; reinsurance reserve, \$150,831; premium income, \$91,409; losses, \$76,606; total income, \$110,311; total disbursements, \$127,257.

Virginia Fire & Marine—Assets, \$3,083,964; capital, \$500,000; surplus, \$981,270; reinsurance reserve, \$1,383,261; premium income, \$624,492; losses, \$483,884; total income, \$724,343; total disbursements, \$560,269.

East & West—Assets, \$3,066,082; capital, \$3,000,000; surplus, \$1,324,133; reinsurance reserve, \$607,986; premium income, \$229,117; losses, \$136,196; total income, \$310,693; total disbursements, \$272,831.

Scores Insurance Activity of Banks

(CONTINUED FROM PAGE 5)

deals afterwards involved their own banks.

"Most of the recent bank failures have had an insurance angle. The great Caldwell failure in Tennessee and the National Bank of Kentucky failure revealed an intricate maze of banking and insurance tieups and brought insurance companies down in their wake. The Chicago banks that failed more recently all conducted insurance agency departments, and it is reported that the majority of them wrote more than a million dollars in fire insurance premiums annually."

Government Is Taking Hand in Bank Affairs

On the other hand, Mr. Bennett pointed out how the government is taking a hand in the banking business. The government sold federal farm loan bank bonds on the theory that they were government institutions. Later, the bond holders found that they are governmental enterprises only in that they are exempt from taxation.

Nebraska, he recalled, undertook to save its banks through means of a guar-

antee fund, which has long since been exhausted and depositors of the failed banks appreciate they have a slim chance of collecting their \$24,000,000 of deposits.

The federal farm board has injected itself into the creamery business. Mr. Bennett recalled that the "American Agency Bulletin" recently published a list of 80 businesses in which the government is competing with private enterprise.

Farm Underwriting Must Be Put on Better Basis

Mr. Bennett sandwiched in remarks about the farm situation. Farm underwriting can and must be conducted on a more scientific basis, he said, than it has heretofore attained, "or you and your clients are to be 'sunk.'"

Mr. Bennett mentioned that during the past ten years farm values have dropped \$18,000,000,000. During the same period, he pointed out, the former exodus from the farm has reversed itself. During 1930, 1,392,000 left the cities and towns and returned to the farms. This back to the farm movement, he said, presages a new era in the economic life of the country. The machine age has reached the farm and the part insurance will play in its development becomes of paramount importance, he said.

WELCOME

AGENTS that visit the Home Office of the Kansas City Fire and Marine are astounded at the friendliness and spirit that pervades. There are no doorways marked "Private—Keep Out." There is, however, on the door of each private office above the name of the executive who occupies it—the word "Welcome." This greeting found in such an unusual place makes a profound effect. It is only characteristic of the entire organization.

The men who guide the Kansas City Fire and Marine have all been successful local agents with the well known agency of R. B. Jones & Sons, Kansas City. They know from actual experience what appeals to local agents and consequently in the Kansas City Fire & Marine have strived to build up a company that is really an agent's company. The success of their building is reflected in the satisfaction of the agents now representing this Kansas City company.

Organized and managed by R. B. Jones & Sons, Kansas City, Chicago

Kansas City Fire and Marine Insurance Company

Chicago, Ill.
Insurance Exchange

Kansas City, Mo.
Federal Reserve Bank Bldg.

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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Associated
Business Papers



National Publishers
Association

Farm Men Get Much Needed Tribute

IN his address before the annual convention of the Iowa Association of Insurance Agents, I. D. Goss, president of the Farm Association, paid a tribute to farm local and special agents, which was well conceived and was, indeed, necessary. The farmer is a traditional subject of caricature. The cartoonist has given the farmer a role, the idea of which is difficult to eradicate from the public consciousness. It is not unnatural, therefore, that farm insurance men should take on the aspects of the caricaturist's idea of a farmer in the minds of their uncritical colleagues in other branches of insurance.

The farm insurance men today are confronted with a big task. They are proceeding to solve it uncomplainingly, competently and manfully. Probably no other great insurance undertaking so vitally affecting the agency force has ever been started under better auspices. It is time that fire insurance men in other branches of the business elevate in their own conception the farm man to his

proper level of importance in the insurance world.

"If we must have a caste system in the insurance world," Mr. Goss declared, "we will have to put the successful farm local agent and special agent far up the scale. No false dignity can attach to the business of writing brick mercantile, grocery stocks and Ford automobiles. Merit alone must determine, and on this ground the farm business occupies a place of such importance that the men engaged in this field must have the recognition to which the quality of their work entitles them. The man who would have you believe that those engaged in farm work are of an inferior breed, needs must be examined for his own competence. The suspicion must linger that he is suffering from a malignant attack of superiority complex.

"The farm business can no longer be regarded as the haphazard, catch-as-catch-can thing that we once thought it was. As a selling field it today challenges the best abilities of the best men."

"Fourteen Errors of Life"

The London "Standard" has given some suggestive negatives. There are 14 errors of life. Anyone can read these with great benefit to himself and if followed the influence will be most benign. The 14 errors of life are as follows:

To expect to set up our own standard of right and wrong and expect everybody to conform.

To try to measure the enjoyment of others by our own.

To expect uniformity of opinion in this world.

To look for judgment and experience in youth.

To endeavor to mold all dispositions alike.

Not to yield to unimportant trifles.

To look for perfections in our own actions.

To worry ourselves and others about what cannot be remedied.

Not to alleviate if we can all that needs alleviation.

Not to make allowances for the weaknesses of others.

To consider anything impossible that we cannot ourselves perform.

To believe only what our finite minds can grasp.

To live as if the moment, the time, the day were so important that it would live forever.

To estimate people by some outside quality, for it is that within which makes the man.

PERSONAL SIDE OF BUSINESS

Rhea J. Vernon, of Sweetwater, Tex., special agent in Texas for Hines Bros., managers of the Crum & Forster companies, has gained great prominence in insurance circles as an insurance cartoonist. He drew the cartoon, "What Is Sauce for the Goose Is Sauce for the Gander." His father is M. G. Vernon, local agent at Strawn, Tex. The latter for 31 years has followed the practice of pinning a check to each account current and mailing it in to his company before the 10th of every month.

J. D. Sullivan, special agent in northern New Jersey for the Westchester and Transportation of the Crum & Forster fleet, will be married early in October.

Robert Mable, 57, for the past 10 years general agent for the National Fire in Central America, died last week at his home in New Orleans following an illness of several months. Mr. Mable had been a resident of New Orleans 14 years. Before going there he was in insurance work in Atlanta.

Insurance Commissioner E. W. Clark of Iowa expects to go to the commissioners' convention at Portland, Ore., next week by airplane. He finds important duties will keep him at his office until it will be too late to reach the meeting by train. Commissioner Clark is giving a good account of himself in his official work.

President J. K. Shepherd of the American Association of Insurance General Agents, en route to the Los Angeles convention of the National Association of Insurance Agents, is visiting a number of general agents, stopping at Kansas City, Omaha and Denver. Most of the next week he will spend in San Francisco with Vice-President A. M. Brown, Jr., and A. J. Chapman, membership chairman. He will be joined there by L. C. Quin, chairman executive committee, and H. C. Stebbins, past-president and chairman of conference committee. These officers of the general agents' organization will have an informal meeting with their members at San Francisco and will attend the executive committee meeting at Los Angeles Sept. 22.

Stiles E. Goodsell, prominent local agent of Bridgeport, Conn., is dead in his 58th year. He was a director of the Westchester Fire and before that company's control was acquired by Crum & Forster he was said to be its largest individual stockholder. Funeral services were held at Bridgeport Sept. 4.

Fred W. Colvin, Jr., is associated in the insurance business in Sioux City, Ia., with his father, the retiring president of the Iowa Association of Insurance Agents. Golf attracts the young man and during the Friday afternoon session of the state association convention he slipped out to give the 1930 city golf champion a 5-4 trouncing. This put him into the finals of the Sunset-Heights Golf Club championship. Sunday he won the 36-hole finals with a 3-2 victory. He was runner-up this year in the Sioux City Boat Club golf tournament. The championship flight of the Sunset-Heights tournament included this year's champions of three private clubs and three public courses there and the 1930 winner of the Sioux Valley District tournament.

Lafon Riker, state agent at Lexington, Ky., for the American of Newark, is gradually recovering from severe injuries sustained in an auto accident in Wisconsin in August, in which Mrs. Riker was killed. The Riker auto met a heavily loaded gravel truck which pulled out from a blind road on to the

main highway. Mr. Riker suffered severe cuts and bruises about the head, a broken jaw and broken arm, when the car went over a bank into a ditch.

R. H. Hugo of Hugo, Walker & Co., active in the insurance business in San Antonio, Tex., for 17 years, died last week. He had served two terms as president of the San Antonio Insurance Exchange.

Eugene Branshaw, secretary of the Western National Fire, San Antonio, Tex., after several weeks of confinement in a hospital due to arthritis, is again at his desk, although he is still traveling on crutches.

Ed Pfeiffer, of Pfeiffer & Pfeiffer, Louisville local agents, recently formed as a board agency, Sept. 6, won the Falls Cities tennis championship, staging a comeback in a five-set match after having twice lost to young Arnold Simons this season. Mr. Pfeiffer last won the event in 1928. He was formerly state and southern champion, as well as city and Falls City champ.

J. F. Holland, deputy Missouri commissioner, has received considerable unofficial backing from St. Louis political groups for nomination as attorney general to succeed Stratton Shartel.

W. L. Wallace, vice-president of the Associated Fire & Marine, has returned to San Francisco following an absence of two months, visiting agencies in the eastern territory. It was during Mr. Wallace's visit in the east that the deal for the consolidation of the Associated and Chicago Fire & Marine was consummated.

C. Weston Bailey, president of the American of Newark and of the National Board, has returned from a month's vacation.

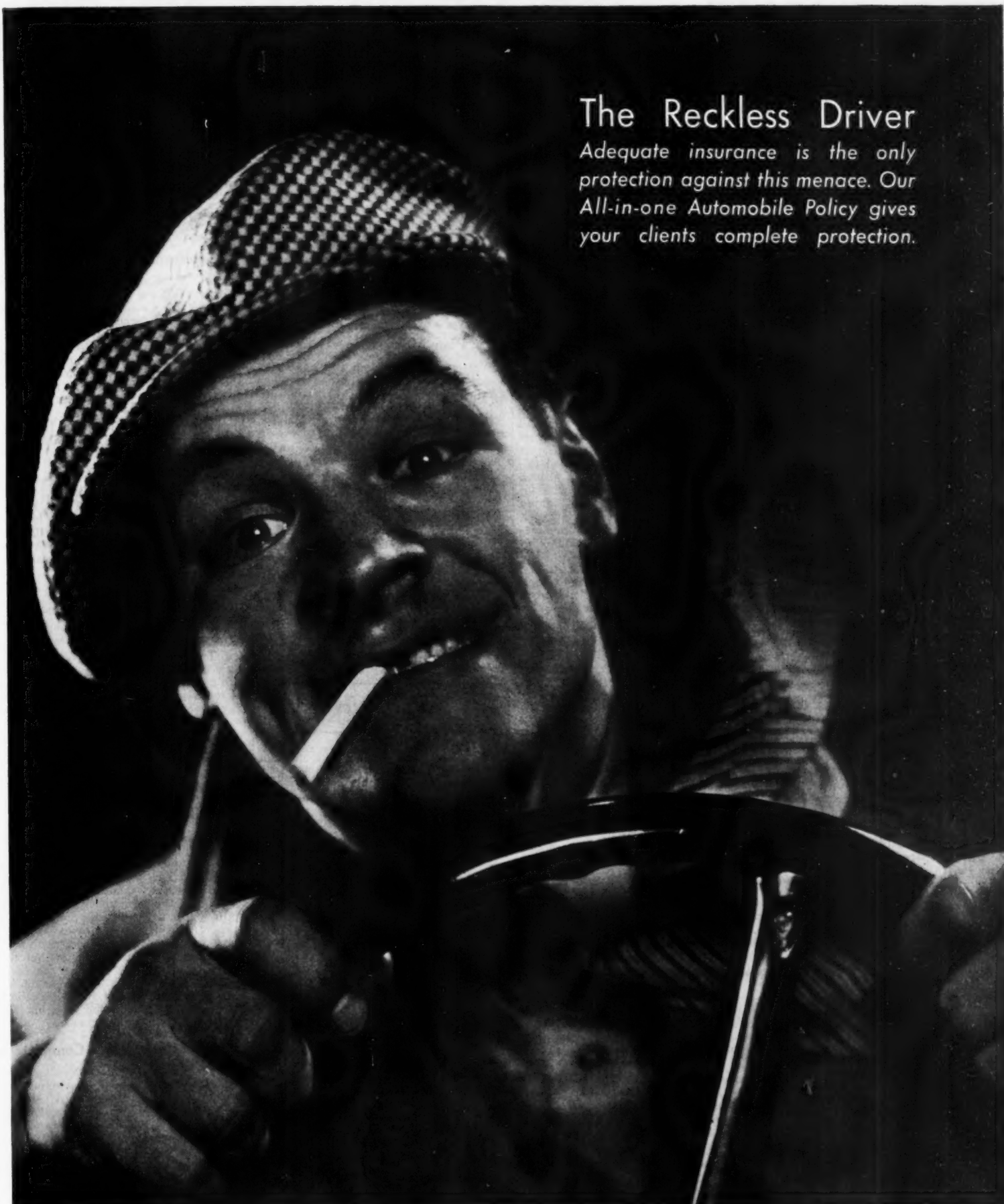
R. M. Clutterbuck, general agent for the Aetna Life group and the National Union in the Hawaiian Islands, spent several days in San Francisco last week, en route back to Honolulu after attending the Aetna convention at Hartford. Before attending the convention Mr. Clutterbuck visited relatives at Vancouver, B. C., and London, Eng.

F. R. Bigelow in August completed 20 years as president of the St. Paul F. & M. and Sept. 7 completed 40 years of service with the company. He celebrated the Sept. 7 occasion at Jasper Park Lodge, Jasper, Alta., in the Canadian Rockies, where he is golfing and avoiding hay fever.

Among the present employees of the St. Paul who were in its service when Mr. Bigelow started are Secretary J. C. McKown, C. D. Hayes and Alex Lawson at the home office. W. J. Sonnen, manager of the Chicago office, was chief clerk when Mr. Bigelow started. W. A. Lang, local agent with quarters in the home office building, operated the local department in those days. John McClure, a field man at that time, is now retired, but helps out at times.

When Mr. Bigelow became president the St. Paul had net premiums of \$5,575,865 and net surplus of \$2,349,403. In 1930 it wrote net premiums of \$13,723,741 and on Dec. 31 had net surplus of \$15,873,818.

G. E. Moffette, for eight years special agent of the National of Hartford in Boston, and before that connected with the engineering department of the New England Insurance Exchange, died in a Boston hospital after an operation for an army ailment. He was 37 years of age. He served overseas with Battery B, 101st artillery, Yankee division.



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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Fire School Program Ready

Fine Staff of Speakers Including National Board Men for Columbus Event Sept. 21-24

The program was completed this week for the second annual fire school to be held at Ohio State University, Columbus, Sept. 21-24. Members of fire departments, public officials and representatives of business organizations from many Ohio cities and villages will attend. Addresses will deal with fire prevention in general, dust explosions, hydraulics of hose streams, chemistry of fires, fire prevention in schools, salvage work, gas masks and resuscitation, sprinkler systems, workmen's compensation, etc.

Speakers will include Harry Walker, Ohio State University, chairman; T. A. Fleming and W. S. Rathbun, National Board; Dr. D. J. Price, engineer, chemical engineering divisions, Department of Agriculture, Washington; Dr. J. E. Day of the university; K. L. Estabrook, American-La France & Foamite Industries, New York; C. W. Ogborn, assistant chief, Columbus; F. O. Evertz, D. K. Auck and J. R. Rountree, Ohio Inspection Bureau; Miss Ethel Millhone, state fire marshal's division; Capt. J. J. Conway, Cincinnati; P. W. Moore, state bureau of mines; Ross Hedges, state industrial commission.

Drills and demonstrations of various kinds will be given, pictures dealing with fire prevention will be shown, and certificates bearing the university's gold seal will be awarded those who attend.

Two New Forms in Cincinnati

Will Replace All Those Heretofore Used—Only Difference Is in Gas Explosion Clause

The Cincinnati Fire Underwriters Association has prepared for the use of its members two new forms to replace all forms heretofore printed, thus saving members the expense and inconvenience of carrying on hand a supply of so many forms. The only difference between the two forms, Form-A and Form-B, is in the gas explosion clause. The first contains the broad gas permit and the other the limited gas permit.

This form may be used on either mercantile or manufacturing risks and either with or without co-insurance. Provision is made for the inclusion of improvements and betterments when the assured is not the owner of the realty. Provision is made for the exclusion of property of employees and officers (not the insured) unless the 80 percent or higher co-insurance clause is attached; likewise patterns, molds, models and forms of manufacturing risks are excluded unless the 90 percent or higher co-insurance clause is attached.

Customers' goods in laundries, dry cleaning establishments and similar risks are excluded from coverage unless specifically insured under a separate item.

This form can be used on either fire, tornado or combined contracts, as proper provision is made for exclusion of metal stacks, signs, awnings and radio equipment on the outside of buildings. Liability is assumed on metal stacks, signs and awnings when form is attached to a combined fire and tornado policy with the 80 percent or higher coinsurance clause.

The coinsurance clause is printed in blank with the provision that the clause

is void unless percentage is inserted therein, thus enabling members to use this form either with or without coinsurance.

Sufficient space has been provided at the top of the form to add descriptions when insuring buildings only or buildings and contents.

Bidding Practice Challenged

State Intervenes as Charleston, W. Va., Is Prepared to Award Insurance by Bidding Practice

The practice of calling for bids on insurance for public property is being challenged in Charleston, W. Va., after the Kanawha county court was prepared to award a \$1,400 insurance contract for coverage on county automobiles.

That award is being reconsidered following the intervention of W. E. White, deputy insurance commissioner, who advised the court that "insurance cannot be bid for," according to state law. Mr. White criticized the five companies which had solicited the automobile insurance on a cut rate basis.

"I say to you very frankly," Mr. White declared, "if some of these companies don't stop cutting rates they will not be in the state next year."

Lawson on War Path

It will be remembered that Commissioner Lawson has been on the war path against cut raters, declaring at the Chicago meeting of the National Convention of Insurance Commissioners that if the practice did not stop, he would insist that companies cutting rates, offer the minimum charge to everyone in the state.

"All but one of the bidding companies," Mr. White asserted he had been informed, "have advised me that their agents were not authorized to cut the rate."

"I am a little surprised," Mr. White said, "that the subject of bidding should

come up. It is only a question of rate. If rates are cut, where companies quote below the manual, they are guilty of discrimination. You can't make fish out of one and fowl out of another.

"The state insurance department is not interested in this matter of insuring automobiles as cheaply as possible. Our interest is purely in the supervision of the companies for the safety of the property owners of the state."

One danger might be, Mr. White said, that the department would have to take the matter of rates up and then might have to cancel the policies.

There were several insurance representatives at the session of court, but they declined to speak.

Plan Many Inspections

Westerville and Wilmington have been added to the list of Ohio cities in which fire inspections will be held this fall under direction of Ohio Fire Prevention Association. Other cities are Elyria, where an inspection will take place Sept. 24, and Sandusky and Geneva. The inspection at Elyria is being arranged by R. W. Bayliss of Columbus and Walter Plangman of Cleveland.

Change in Fairmont Agency

The F. E. Nichols Insurance Agency, Fairmont, W. Va., has been absorbed by the new R. E. Gaskill agency, operated by Miss Rose E. Gaskill.

Associated with the new firm will be H. F. Smith, who has been with the agency for several years; Miss Gaskill, who has been assistant to Mr. Smith, and Miss Nelle V. Layman, who has had wide experience in insurance work.

Ohio Notes

Homer Trantham, executive secretary Ohio Insurance Federation, has changed headquarters of the organization to the Huntington Bank building at Columbus, O.

O. R. Hegel of the G. L. Ramey Insurance Agency, Dayton, and T. F. Latta of the Liverpool & London & Globe, have become members of the Union Field Club of Ohio, and P. S. Beebe, Hartford Fire, has withdrawn.

CENTRAL WESTERN STATES

Lineup in the Illinois Field

Crum & Forster Companies Have the State Divided Into Five Independent Units

Crum & Forster following the transfer of State Agent C. H. Dachenbach of Illinois to Wisconsin to act in a similar capacity will not have a state agent, at least for the time being. The field is divided into five independent parts, each field man representing the various companies in his section. The alignment is as follows:

Territories Assigned

North (except Cook County)—V. L. Zimmerman, special agent, 1849 Insurance Exchange, Chicago, and C. J. Friesenecker, special agent, 621 West Lincoln avenue, Freeport.

West Central—R. H. Gregg, special agent, 227 Peoria Life building, Peoria.

Southwest—F. H. Davidson, special agent, Edwardsville.

East and Southeast—E. R. Gardner, special agent, Citizens building, Champaign, and Charles King, special agent, 341-2 Standard Life building, Decatur.

South—D. H. Reed, special agent, Benton.

Ramey Takes National Union

Returns as Indiana State Agent After Seven Years; Clears Agency and Now is W. U. A.

The National Union has placed its Indiana state agency with the G. L. Ramey Agency. It was seven years ago to the day of making this appointment that G. L. Ramey resigned as state agent of the National Union for Indiana and Illinois and formed the agency. A. F. LaRue, B. C. Thompson, Miss L. A. Spence and Miss Marie Gehrlein, who were associated with Mr. Ramey in the state agency of the National Union, are still associated with him.

Mr. Ramey also announces that Cooling, Grumme & Mumford of Indianapolis have purchased from the G. L. Ramey Agency the general agency contracts of companies that were in the American Agencies, including the Stuyvesant, American Home, American Constitution and New York Fire. Cooling, Grumme & Mumford already had the general agency of the American Equitable.

In addition to the National Union, the fire companies now represented by the G. L. Ramey Agency are the Camden,

American Fire & Marine, Baltimore American and Peoples National. This entirely clears the G. L. Ramey Agency and makes it strictly a Western Underwriters Association office.

"This puts the National Union back on the old agency basis in Indiana," says Mr. Ramey, "and is in keeping with the new program that is being worked out by President John M. Thomas and Vice-president Harry Yates of the National Union."

Returns to South Bend

John B. Keiser, special agent in southern Indiana and Kentucky for the Metropolitan Casualty, has returned to South Bend to become assistant to W. B. Stoner, manager of the insurance department of the St. Joseph Loan & Trust Co. and the Mishawaka Loan & Trust Co., which recently came under Mr. Stoner's management. Its title is to be changed to the Mishawaka-St. Joseph Loan & Trust Co. The insurance department of the Mishawaka bank was operated by the Lloyd agency of South Bend. Mr. Keiser is to be in charge of the Mishawaka office.

Mr. Keiser started in the insurance business in South Bend in 1923 in the William Happ agency. Later he organized his own agency and in 1929 became manager of the service office for northern Indiana for the Southern Surety and Home Indemnity with headquarters in South Bend.

May Organize Department

BIRMINGHAM, MICH., Sept. 9.—Probability that Bloomfield, Southfield and Troy townships will join in forming a fire department is seen here as the result of agitation for a mass meeting on the question. Fire losses in the district have been heavy and no protection is available. The Birmingham department some time ago refused to make any further outside runs when the townships turned down a proposal to supply an extra truck for the service.

Business on Upgrade

LANSING, MICH., Sept. 9.—Some encouraging signs in a generally discouraging picture are being noted by field men. The past few weeks, according to the state agents of a large fire company, have been marked by a very slight but nevertheless unmistakable increase in business. Losses are still heavy and agents are busier with collections than on new business, but the upturn from the low point of the early summer is seen as a harbinger of an improvement in the fall and winter. The recovery is certain to be slow, in the opinion of several field men.

Indiana Blue Goose Committees

R. S. Fitzgerald, most loyal gander of the Indiana Blue Goose, announces chairmen of committees: R. A. Moore, life insurance; R. H. Gustetter, entertainment; A. W. Lewis, membership; T. R. Dungan, flower, and P. J. Mangan, ritual. Messrs. Fitzgerald, Moore and H. E. Smith are attending the grand nest meeting in Milwaukee.

Report on Granite City

National Board engineers report the gross fire loss in Granite City, Ill. for the past five years at \$477,682, with an average loss per fire of \$839, "a high amount" and the average annual loss per capita \$4.10, a moderately high amount.

The water supply is reported to be adequate under heavy consumption only with use of reserve station. It is fairly reliable. A weak distribution system seriously limits available quantities out—

(CONTINUED ON PAGE 26)

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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THIRTY-FIFTH YEAR
No. 37

CHICAGO, NEW YORK, CINCINNATI AND SAN FRANCISCO, THURSDAY SEPTEMBER 10, 1931
Office of Publication, 175 W. Jackson Boulevard, Chicago, Illinois

IOWA AGENTS
CONVENTION NUMBER

Hawkeye Leaders Hold Live Session

Ford President of Iowa Agents

Militant Des Moines Man Elected
Head of State Association

MEETING A BIG SUCCESS

A. P. Speers of Centerville Will Head
the Executive Committee the
Next Year

Chester E. Ford, hard working, energetic, Des Moines local agent was elected president of the Iowa Association of Insurance Agents at its final session at Sioux City Saturday. Mott C. Hammond of Des Moines was chosen secretary by the executive committee. W. A. Scherfe of Ft. Madison, veteran and greatly beloved member, who appeared on the program this year was made vice-president and A. P. Speers of Centerville executive committee chairman.

Fred W. Colvin, of Sioux City, retiring president, has had a successful administration, put on a big meeting in his home town and arranged a bang-up program.

President Ford is dynamic and will put new life into Iowa agency activities. He will put on a membership campaign and up and down the line his influence will be felt. He is a great exponent of dramatic advertising. He has been chairman of the advertising committee of the Des Moines Underwriters Association for 15 years. He gets up the copy himself and maps out the campaign both in the daily papers and on blotters that are furnished Des Moines business men. It is all cooperative, the local board making an appropriation each year.

Career of the New Head of the Iowa Association

Mr. Ford started in insurance as a boy 16 years old writing policies by hand in the office of the old Des Moines Fire. After an apprenticeship there, he became insurance solicitor for the real estate firm of Percival-Porter Co. Some 23 years ago he became a partner and the name was changed to Percival-Porter-Ford. Later John I. Petty joined Mr. Ford in buying the other interest and 15 years ago the agency became the Ford-Petty Insurance Agency.

Mr. Ford has represented the National Liberty and Farmers of York for 30 years and the National Surety 23 years.

He is a charter member of the Des Moines Underwriters Association, has been its president and secretary and is now its vice-president under its broader

Officers Elected

PRESIDENT

Chester E. Ford, Des Moines

VICE-PRESIDENT

W. A. Scherfe, Fort Madison

SECRETARY

Mott C. Hammond, Des Moines

EXECUTIVE COMMITTEE

A. P. Speers, Centerville, Chairman; Painter Knox, Council Bluffs; Paul C. Howe, Sioux City; John E. Hull, of Ottumwa.

rules. He is also a charter member of the Iowa Association of Insurance Agents, served twice before on its executive committee and last year was its chairman.

Mr. Speers served on the executive committee last year and is an important factor in the Iowa ranks.

Mott C. Hammond of Des Moines was chosen secretary. He has been connected with the Olmsted Agency but recently opened his own agency. He was formerly with a merchants trade paper. This year the nominating committee decided to authorize the executive committee and officers to employ a secretary.

President Ford called a meeting of the new officials and executive committee members. Mr. Hammond was called in and agreed to serve and hence he was elected.

Saturday Morning Ended the Convention Activities

C. W. Borrett, Iowa state agent of the Hanover, secretary Iowa Fire Prevention Association for eight years, opened

the proceedings Saturday morning in a talk on fire prevention. Delegates from the Des Moines Woman's Club and the local parents and teachers' associations of the schools were present to hear Mr. Borrett.

E. H. Warner, branch manager of the Union Indemnity at Des Moines, who has had wide experience in company and agency work, spoke of the challenge of 1931 to the agent. He declared an agent should not attempt to represent both mutual and stock companies as the two are on different bases.

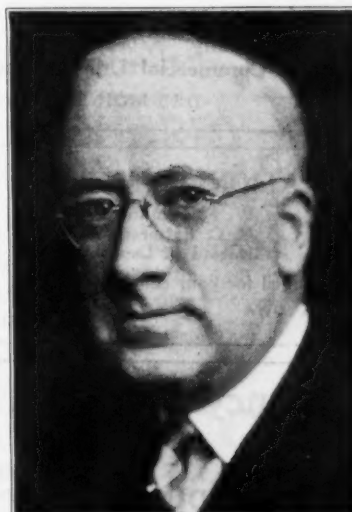
A. C. Root of Clinton, a live agent of Clinton, castigated the practice of appointing misfit agents. He declared they have not the training and knowledge to properly service the policyholders. Mr. Root declared that the companies are dominating the agency associations too much and are stifling legislation that the agents desire. Mr. Root's agency was established by his grandfather 75 years ago. It has been functioning ever since.

Secretary Bennett of the National Association

(CONTINUED ON PAGE 44)



FRED W. COLVIN, Sioux City
Retiring President



CHESTER E. FORD
New President Iowa Association

Iowa Agents Had Rounded Program

Many Speakers Were on Hand to
Participate in the Deliberations

COLVIN DID GOOD WORK

Leaders in the State Gathered at Sioux
City to Support the Agency
Movement

The Iowa Association of Insurance Agents held its convention this year at Sioux City, in the northwest part of the state. From the banks of the Missouri River can be seen Minnesota, Iowa, South Dakota and Nebraska. Sioux City has a very superior body of agents. From the city have come four state presidents. The agents are efficient and forward looking. The meeting this year had before it a galaxy of talent covering many phases of the business. It was a stimulating program. President Fred W. Colvin of Sioux City had put much time on the list of events scheduled for the convention. Agents were present in goodly numbers to support the organized agency movement.

Opening Ceremonies of the Convention

Mayor W. D. Hayes of Sioux City gave the welcome on behalf of the community. This county has 1/25th of the population of Iowa. He commended especially the city's fire department. He stated that Guy W. Andrews, well known Sioux City agent, was formerly commissioner of public safety.

J. J. Shepard of Cedar Rapids responded to the greeting.

R. P. Brown of Sioux City, secretary of the state association, read some of the highlights of the 1930 convention in Iowa City.

Fred W. Colvin, Iowa president, submitted his annual report, stating he was astounded at the inertia of many agents in the state toward organized effort. He has a keen sense of humor which permeated his report. Mr. Colvin has made an excellent president.

Chester E. Ford of Des Moines, legislative and executive committee chairman, energetic worker and a great booster, reported on the activities of the year, especially relating to the effort to secure a qualification law, which came to naught.

W. A. Scherfe of Ft. Madison, veteran agent and loyal in association work, paid his respects to "cheap" mutual and reciprocal insurance, saying it was poor

sort of indemnity. He called attention to the meritorious service of well informed agents. He is one of the most conscientious men in the business.

Secretary W. H. Bennett of the National Association of Insurance Agents was one of the high liners of the convention. Always eloquent, he rose to new heights as he commented on business conditions. He deplored the fact that there are 40 counties in Iowa that have no members of the state association.

Mr. Bennett expressed the opinion that the Hoover Dam controversy with the surety companies will be settled amicably. He predicted that another such case would not arise because of the furore the National Association of Insurance Agents engendered. The surety

companies, he said, had learned a valuable lesson in their attempt to eliminate agency commissions.

He paid high tribute to President John M. Thomas of the National Union for shaping up that company's practices in accord with ethical standards. He said the company canceled \$1,500,000 in premiums because the business was not written in line with organization procedure. Mr. Bennett declared President Thomas is a man of genuine probity who believes in associations and living up to their rules.

Many banks that have failed during the year had insurance agencies, he said, solely for mercenary reasons and not for the purpose of serving the community. Banking would be better off, he held, if they withdrew from all activi-

ties except their own special functions.

Manager Ira D. Goss of the farm department of the America Fore companies in the west went from Chicago to give his address on some of the farm insurance problems. He is president of the Farm Association. Mr. Goss feels that the agency organizations in states where farm insurance is a factor can well devote attention to this end of the business. Farm agents occupy a high position in their communities. They are men well equipped and informed on farm subjects.

S. D. Butters, a Des Moines agent spoke on "Pitfalls of Reciprocal Insurance." He traced the beginning of this form of insurance to 1881, an institution being launched in New York City, by a group of policyholders who were

well acquainted. Since then he declared the plan had been distorted. He explained the mechanics of a reciprocal.

Paul C. Howe, Sioux City agent, in his talk, said that one of the problems for an agent is to replace his lost premiums. He said that he should not overlook the small premium risks. The agent must be a real salesman. Mr. Howe said he advised appraisals wherever possible.

Field Man Is Given Part on the Agency Program

O. J. Davis, Iowa state agent of the Home group, one of the aggressive and successful field men, was given a place on the program. Mr. Davis was an agent before he went on the road. He began as a special agent 30 years ago



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General Agents

this month. He said that lawyers are not satisfactory agents because as they progress in their profession, they neglect their insurance business. He stressed quality selection of companies.

J. A. Giberson, Alton, Ill., agent, former president of the Illinois Association of Insurance Agents, en route to the Los Angeles convention, in his machine, accompanied by Mrs. Giberson, stopped off at Sioux City and was presented as a speaker. He said every agency should have a definite recording system. He said in 1914, 53 percent of his business was compensation. The next year he lost five or six of these risks which cut his compensation premiums. He decided he would not rely on large premium risks but build up a multiple line agency. He advocated

a diversified classification to get a large number of smaller premiums.

In 1926 he said his accident premiums were larger than compensation. An agent's business classification may vary from one year to another owing to change in underwriting methods. Mr. Giberson said that an agent must make money for his companies or they will leave him.

Casualty companies, if they take compensation, want the other lines of the same assured. Mr. Giberson went to all his assureds where he carried the collateral lines and got their compensation and so saved his business as the compensation companies would demand these side lines if they continued to carry the compensation.

Mr. Giberson said his agency expense

ratio for the first eight months was 12.66 percent. His premiums are off 6 percent as compared with 1930.

Mr. Giberson declared that an agent must know what he is doing these days. He should have adequate records. He said that about 75 percent of his time is given to collections. It is almost useless to put on sales campaigns, he thinks, because it is uncertain what can be collected on this new business. Mr. Giberson feels that an agent should aim to conserve as far as he can what premiums he already has on his books. He should watch every item of expense and keep in close touch with existing policyholders.

E. D. Lawson of Chicago, marine manager of the Firemans Fund was

the last speaker Friday afternoon who told of the growth of inland marine lines and the possibilities of an agent increasing his business by giving more attention to inland marine. He conducted a forum and answered a number of questions.

Committees Are Appointed

The nominating committee consisted of S. T. Morrison, Iowa City, chairman; E. O. West, Centerville; J. J. Shepard, Cedar Rapids; G. W. Andrews, Sioux City; Painter Knox, Council Bluffs. The resolutions committee comprised A. P. Speers, Centerville, chairman; A. J. Verran, Des Moines; A. C. Root, Clinton.

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Peters-Guiney Agency	304 Commerce Bldg.
Sanborn Insurance Agency	311 Warnock Bldg.
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Iowa Legislative Efforts Defeated

Ford Reports Assembly Refused to Consider Any Class Measures This Year

URGES ORGANIZING NOW

Executive Chairman Not Disheartened; Begins Planning for Campaign in Next Legislature

Report which he explained covered 12 full months' activities of the hardest working executive committee the Iowa association ever has had was rendered by Chester E. Ford of Des Moines, chairman of the executive and legislative committee.

He said the full committee membership attended all meetings, the first being at Iowa City for organization purposes, when an extensive membership campaign was planned. The president was requested to arrange for the services of G. W. Scott, assistant secretary National association, to secure new members and assist the membership committee.

Move to Hold Surplus in Special Emergency Fund

One important act of the year was to keep the surplus in a special legislative fund account to be used as working fund for future legislative and educational work.

Mr. Ford reported on the association's efforts in compliance with a resolution of the 1930 meeting to secure enactment of anti-discrimination and anti-rebate laws, and a reasonable qualification law. The committee secured the approved agency qualification law from the National association and presented it to the insurance committee of the Iowa senate. After several hearings, and delays the agents were informed that in view of opposition the committee could not bring out the proposed law as a senate committee bill. The agents' committee decided it was too late in the session and also inadvisable, in view of severe opposition, again to enter the complete qualification bill through either the house or senate.

Agents Made Decision to Attempt a Compromise

Plans were then made to amend the present license law so as to qualify an agent under the same terms as proposed in the qualification law. A bill was entered, but it fell into the hands of the "sifting committee" and was buried.

A bill was entered to amend the law relating to the execution of insurance policies, but delay caused it to suffer a like fate in the sifting committee.

A bill was entered to amend the act to prohibit the offering or giving of any inducement in soliciting insurance, the anti-rebate bill. In spite of delay and the sifting committee, the governor's influence was secured, the bill reported out for passage, but two amendments were offered, and the discussion and confusion effectively killed the bill.

The committee lent assistance on other insurance measures and opposed and effectively blocked obnoxious bills.

"Your committee feels that they did not lose the race for legislative bills," Mr. Ford said. "They got off to a bad start and their race to get needed legislation was called off because the legislature adjourned and the committee didn't get a chance to complete the race. More bitterness and hard feelings were

Casualty Speaker



E. H. WARNER, Des Moines Branch Manager Union Indemnity

expressed in this legislature than at any prior session and all class and group legislation failed."

Mr. Ford recommended that the executive committee place a key man in every county. Only 51 key men were secured this year. He proposed that the key men interview their county representatives in the legislature before election and get promises to assist the agents on reasonable legislation.

He advised starting work immediately in preparation for the next legislature and expressed the opinion that it would be far easier to amend the present insurance laws than to secure enactment of new laws. He recommended that the three amendments proposed last year again be introduced in the next general assembly.

Several Resolutions Are Adopted by Iowa Agents

The Iowa association, among the several resolutions which it passed, resolved to continue legislative effort for cleaner and better insurance laws, both for the sake of insuring public and legitimate agents. The executive committee was empowered to make every effort to establish a key man in every county.

Faith in the Iowa association and its ability to extend and strengthen the American agency system through organization and cooperation was reaffirmed and the efforts of the Iowa Fire Prevention Association to secure passage in Iowa cities and towns of its proposed ordinance prohibiting sale or use of fireworks except under restricted conditions was endorsed and active support of agents pledged.

Extend Appreciation to Hosts and Official Staff

Appreciation of the courtesies extended by Sioux City citizens and particularly the hosts, the Sioux City Fire & Casualty Underwriters, at the silver anniversary convention was put in the form of a resolution. The agents commended Fred W. Colvin, retiring president, for his faithful and fruitful efforts, and also R. P. Brown, the secretary.

A separate resolution of appreciation for the talk of W. H. Bennett, secretary National Association of Insurance Agents, was made and the association also gave thanks for the work of the National association and pledged support to that organization.

Fred W. Colvin of Sioux City, retiring president, and Mrs. Colvin, and S. T. Morrison of Iowa City, former president, will attend the Los Angeles convention.

Colvin Lists Benefits of Depression to Insurance

The presidential address before the Iowa Association of Insurance Agents in Sioux City by Fred W. Colvin, who was reared in the newspaper business and has facility of expression, was businesslike and contained much salty humor.

Mr. Colvin started with a denunciation of those agents who are indifferent to their obligations to the business and refuse to join the Iowa association. "There seems to be a stubborn inertia on the part of the majority of the insurance agents in Iowa," Mr. Colvin declared. "They appear to take their connection with insurance either as nobody's business, or as a mere convenience to people who might want some insurance without any real information, advice or service. They have one valid excuse. They don't believe in mail order insurance and they apparently disregard our mail campaigns to enlist their interest in the state and national associations. They do not grasp the fact that unless they support these associations that mail order insurance and worse evils will assail them."

Mr. Colvin suggested the advisability of a full time executive secretary to help in proselyting. He mentioned the help of George W. Scott, assistant secretary of the National Association of Insurance

Agents, in aiding in the canvass for new members in Iowa. Although Iowa did not reach its quota in membership, it increased from 220 to 251 during the year.

Mr. Colvin praised the work of C. E. Ford, chairman of the executive committee, for his legislative work.

Rebating, payment of commissions to interceptors, and rate cutting in the contract bond field has occupied the attention of the Iowa association for several years. Mr. Colvin referred to this as the "contract bond nausea." Despite the fact that the Surety Association of America cut rates in Iowa, assigned an arbitrator and investigator to the state, Mr. Colvin said that the situation has not been materially improved. "Contract bonds have been sold in Iowa this year for less than some agents used to get in commissions," he said, "when bonds were sold at manual."

Out of the depression, according to Mr. Colvin, have come certain benefits. The frenzy to start more companies has calmed down. The greed of existing companies is being mixed with some economic sense. Companies are beginning to realize the importance of serving their faithful agents rather than having the field men appoint new agents

(CONTINUED ON LAST PAGE)

SNAPSHOTS OF THE CONVENTION

John Hynes of Davenport got into a discussion with E. D. Lawson of the Firemans Fund over the fact that furriers can supply insurance at less price than an agent can. Mr. Hynes said the agents should have an equal break. The furrier uses his insurance coverage at less rates to draw business to him. The furrier gets a dealer's fur form policy and covers his customers. Mr. Hynes said the members of his own family can go to a furrier and get their coats insured at less rate than he can. This, he contended, is unfair to the local agents.

The Sioux City local agents on the silver anniversary provided a trophy cup to be given the largest number of members of a board present in proportion to the total membership. It will be awarded annually. This year it went to Council Bluffs.

W. H. Hansmann of Chicago, manager of the Fidelity & Deposit, attended the convention.

Fred W. Colvin, Jr., son of President Colvin, who has entered his father's agency at Sioux City, assisted the local committee.

Chester E. Ford of Des Moines, chairman of the executive committee, cordial and forceful, was on hand with tube rose boutonnieres and Des Moines buttons.

E. D. Lawson of Chicago, marine manager of Fireman's Fund, literally "lost his shirt." As he was getting in a taxi at the station the porter of his Pullman rushed up with a shirt he had left in the smoking room.

Joel Tuttle of Des Moines, agency supervisor for the Independence Indemnity for four states, a veteran insurance man of Iowa, accompanied by Mrs. Tuttle, hobnobbed with the men in the lobby of the hotel.

President Percy H. Goodwin of the National Association of Insurance Agents wired greetings from his office at San Diego, Calif.

John D. Saint of Baton Rouge, manager of the Louisiana Insurance Society, sent a letter of felicitation.

Secretary R. P. Brown in his financial and statistical report announced membership of 251. There were 56 new members secured during the year and 27 lapsed.

There was a special luncheon Friday presided over by S. T. Morrison of Iowa City.

P. K. Walsh, vice-president and secretary of the National Security of Omaha, drove up from his city to be at Friday's meeting.

J. D. Hall of Des Moines, Iowa, manager of the United States Fidelity & Guaranty, was at the convention.

C. O. Talmage, Omaha general agent, mingled with the delegates.

F. H. Noble of Des Moines, manager of the American Surety, who is one of the best known surety men of the state, shook hands with the Sioux City visitors.

Stanley Amsden of the United States Fidelity & Guaranty at the Des Moines branch led the singing at the banquet.

F. W. COATES
Insurance Anywhere—Any Kind
618-19-20 Bank & Insurance Bldg.
DUBUQUE, IOWA

EUGENE WALSH

JOHN HYNES

SNIDER, WALSH & HYNES
General Insurance

Representing 45 Companies

Davenport, Iowa

AT HOME

That is our aim—to make you feel "at home" and with that accomplished, any company can be of more service to you—especially an Iowa Company.

Did You Ever Know

That a Company could be human to the extent of considering every agent as a personality, and doing everything possible to make him feel "at home"?

THE SECURITY FIRE HOLDS IT THEIR DUTY TO KNOW THEIR AGENTS

Small	ENOUGH	To Know You
Strong		To Protect You
Old		To Serve You

	ASSETS	Surplus to Policyholders
1910	\$ 400,839.72	\$ 144,147.21
1915	660,190.10	270,033.45
1920	1,085,861.85	300,653.99
1925	1,481,724.73	601,820.30
1930	2,131,110.51	1,005,890.82

Our Field Men will be "anxious to Know You and Serve YOU."

THE SECURITY FIRE
INSURANCE CO.
of Davenport, Iowa

Central Western State News

(CONTINUED FROM PAGE 18)

side of the principal mercantile district. The fire department is poorly equipped and seriously undermanned. There is no fire alarm telegraph system.

In the principal mercantile district weak construction makes serious fires probable but these should be confined to the group or block of origin. Industrial districts have a hazard of serious group or plant fires, the conditions being mitigated by a considerable amount of private fire protection.

Michigan Revenue Off

Revenue of the Michigan department fell off \$230,049 to a total of \$3,985,901 in the fiscal year ended June 30, the department report shows. Life insurance

taxes, however, increased \$101,588, amounting to \$2,385,130.

Long Term for Incendiary

HASTINGS, MICH., Sept. 9.—Incendiarism received a setback here when Judge R. R. McPeak of the Eaton-Barry circuit court sentenced Lewis Adams, arsonist who admitted he "liked to see them burn," to serve 10 to 20 years in prison for firing five cottages at Gun lake.

Michigan Notes

Michigan agency incorporations the past week were: **Walters Agency**, Highland Park; **Leo Lloppe Agency**, Detroit; **M. E. Moore & Co.**, Detroit.

The **Suburban Cities Corporation** of Detroit, whose powers include operation of an insurance agency, has been incorporated by Paul Morrison, G. A. Miller and E. M. Bush.

Martin Lenehan, attorney, and for many years agent for the National Union Fire in Detroit, died last week, following an illness of six days from pneumonia.

STATES OF THE NORTHWEST

Bureau Has Say on Rules

Commissioner Holds Interpretation Rests with Wisconsin Inspection Office on Behalf of Companies

Commissioner Mortensen of Wisconsin has issued an order upholding the right of the Wisconsin Inspection Bureau to construe the underwriting rules as filed by the bureau. The order is said to be one of the most important ever issued in this connection in Wisconsin.

Complaint had been filed with the commissioner that the bureau in interpreting the rules had been in error, and the complainants had requested the commissioner to determine the question as to whether or not the forms prepared by the complainant were in violation of the rule book.

Commissioner Mortensen took the position that the bureau had filed the rules on behalf of its member companies and the authority of interpreting the filed rules and determining whether the conditions on which a rate was made was being violated, must rest with the bureau.

The complaints further requested that the bureau be restrained from enforcing the criticisms of forms and further requested that the companies be restrained from cancelling policies which had been issued in violation of the rules. These requests were denied by the commissioner, and the entire complaint dismissed.

The principal objections offered related to the definition of the term "building" and the right of any person or firm drafting forms to amend standard clauses to conform to their ideas as to the manner in which these clauses should read. Commissioner Mortensen held that the standard clauses as filed must be used and that the Wisconsin Inspection Bureau has authority to enforce its interpretation of the rules.

Speculation Over Rater

It is understood that the three names certified to the Wisconsin commissioner for the position of fire insurance rater in the state insurance commission are C. M. Park, Madison; Nathan Burges, Chicago, and Albert Gormley, Madison.

Seven persons took the examination for the post, a new one created by the 1931 legislature. The rater will make rate schedules, examine company rates and make statistical studies. Candidates for the position were examined by A. E. Garey, chief examiner, bureau of personnel; Charles Timbers, Milwaukee,

chief rater Wisconsin Inspection Bureau, and Commissioner H. J. Mortensen.

Wisconsin Mutuals' Meeting

The Wisconsin State Association of Mutual Insurance Companies will hold its annual meeting in Milwaukee Sept. 15-16. George Jacobs of Janesville is president of the association and T. R. Schmidt of Kewaskum, secretary.

Speakers include George Nichols, manager Wisconsin Inspection Bureau; N. P. Luthy, Chicago, who will speak on mutuals' advertising; Dr. S. S. Huebner, University of Pennsylvania, and H. P. Cooper, secretary National Association of Mutual Insurance Companies. About 150 are expected to attend.

Wisconsin Chiefs Meet

Speakers at the meeting of the Wisconsin State Fire Chiefs Association at Portage, Wis., included F. R. Daniels, chief engineer Wisconsin Inspection Bureau, on "The Fire Chief's Relation to the Public"; D. J. Price, engineer in charge chemical bureau, Department of Agriculture, who said there are 28,000 factories and 1,325,000 employees in the nation subject to the danger of dust explosions; F. M. Wilcox, chairman industrial commission, who talked on compensation as it affects paid and volunteer firemen, and J. E. Florin, superintendent fire prevention bureau, Madison, who discussed legislative needs.

Wolff Named Chairman

MILWAUKEE, Sept. 9.—W. M. Wolff, resident vice-president Fidelity & Deposit, has been named chairman for Wisconsin Insurance Day, which will be held in Milwaukee Oct. 28. He has been active in Insurance Day activities since they have been carried on in Wisconsin. Headquarters will be the Hotel Schroeder, according to W. W. Belson, secretary Insurance Federation of Wisconsin.

Milwaukee Man to Coast

MILWAUKEE, Sept. 9.—F. J. Lewis, president Wisconsin Association of Insurance Agents, and J. G. Grundle, secretary-treasurer, will represent that organization at the National Association of Insurance Agents in Los Angeles. Monroe Porth, president Milwaukee Board, and B. A. Lehnberg, vice-president, will be its official delegates.

Other Milwaukee men who will attend are W. B. Calhoun, chairman national executive committee; L. C. Hilgemann, John Wiersum, William Pfleger of the Pfleger agency, W. F. Lynch, Theodore Richter and Walter Hoffman.

Missouri Valley State News

Omaha Agents' Conference

Meet With Secretary W. H. Bennett of the National Agency Association on Bank Agencies

A delegation of Omaha agents went to Sioux City Friday to confer with Secretary W. H. Bennett of the National Association of Insurance Agents who was attending the meeting of the Iowa Association of Insurance Agents, on the bank agency situation in their city. Some of the outlying and other state banks in Omaha suspended, leaving three large national banks, all firmly entrenched, that have insurance agencies. It is felt in view of the more restricted banking facilities the financial pressure to control the placing of insurance may be greater. The potential danger to local agents is declared to be accentuated. These banks represent good companies. The agents hope the banks can be induced to retire from the insurance field and confine their attention strictly to their own knitting.

The Omaha committee consisted of F. T. B. Martin and E. R. Hefflin of Martin Bros., Harry A. Koch and Joseph Friedel of Harry A. Koch Co., Joseph Barker, of Foster, Barker & Co.

Resident Field Men Living at Kearney Start Campaign

A group of field men with headquarters at Kearney, Neb., have formed a local field underwriters' association and are starting an advertising campaign for their companies, stressing the advantages of patronizing companies maintaining field offices in that city. The men participating in the campaign are O. F. Fugate, western Nebraska state agent for the North America group; T. A. Fallgatter of the Hedwall-Sundberg Company; L. R. Howorth, western Nebraska special for the National Security, and M. G. Sweitzer, special agent of the National American Fire of Omaha.

A. B. England Joins McCann

A. B. England of St. Louis has joined the McCann Adjusting Company, 701 Sharp building, Kansas City, Mo., and will be in charge of the casualty and automobile department.

Mr. England has for the past 15 years been engaged in adjustment work in St. Louis and Kansas City and has made a record in liability, casualty, automobile and inland marine adjustments.

This appointment gives the McCann office a complete adjustment service.

Iowa Inspections Scheduled

The Iowa State Fire Prevention Association will inspect Sibley Sept. 16. On Oct. 21-22 an inspection will be held at Cedar Rapids. Madrid has asked for an inspection but no date has been set.

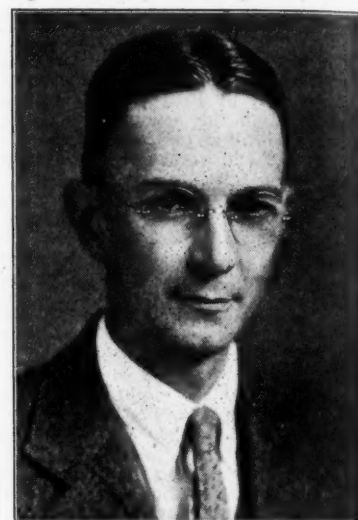
Resume Wichita Meetings

WICHTA, KAN., Sept. 9.—Regular Monday luncheon meetings of the Central Kansas Field Men's Club will be resumed here Sept. 14, according to President C. E. Bailey, Crum & Forster. The club was organized eight years ago and now has a membership of approximately 75.

Cat's Meow Meeting

ST. LOUIS, Sept. 9.—The St. Louis court of the Cat's Meow will meet tomorrow evening. The Cats plan to enter two teams in the Insurance Bowling League which opens its season on

Chairman of Minnesota Executive Committee



F. S. PRESTON

F. S. Preston of Minneapolis, new chairman of the executive committee of the Minnesota Association of Insurance Agents, is head of the White-Preston Agency. He has served on the executive committee the past two years. Previous to that he was chairman of the finance committee and was also chairman of the committee which handled the reorganization of the Minnesota association after its separation from the Minnesota Insurance Federation.

Mr. Preston also has been active in the affairs of the Minneapolis local board. He served as a director six years and has been chairman of the publicity committee. He has been in the insurance business in Minneapolis since 1911 and since 1917 has conducted his own agency.

Sept. 14 and final arrangements will be made at this meeting. The forth coming annual family week-end boat trip will also be discussed. The tentative dates for this trip are Oct. 17-18 and the probable destination the Keokuk, Ia., power dam across the Mississippi river.

National Auto Withdraws

LINCOLN, NEB., Sept. 9.—The National Automobile Association of Omaha has failed to answer the citation of Commissioner Herdman of Nebraska to show cause why it should not be held to be engaged unlawfully in the business of insurance, and the commissioner is informed that it has withdrawn from the state. A finding was made that the contract sold by the association purporting to be only a service contract is a contract of insurance and that the association, not being licensed to sell insurance, is unlawfully engaged in the selling of insurance. It may continue present service contracts, but may not sell any new contracts.

Sponsor Home State Campaign

LINCOLN, NEB., Sept. 9.—The Nebraska Association, an organization of business and professional men for purposes of boosting the industries and interests of the state, has selected the foreign insurance companies doing business in Nebraska as targets, urging Nebraskans to patronize Nebraska insurance concerns. Out of the \$59,038,414 spent by Nebraskans for fire premiums last year, 73 percent or \$42,818,000 went to foreign companies.

A. A. Miller, local agent at Hutchinson, Kan., died suddenly last week of heart trouble. Mr. Miller was also active in the Hutchinson Real Estate Board.

STATES OF THE SOUTHWEST

Ellis Heads Dallas Agents

**Make Effort to Curb Fire Losses—
Wilson Elected Vice-President,
Schepps, Secretary**

By R. J. McGehean

DALLAS, Sept. 9.—At the September meeting of the Dallas Insurance Agents Association last week new directors for the coming year were elected. On the following day the directors met and selected the officers who are to lead the organization for the next year.

Officers and directors elected were as follows: T. P. Ellis, president; W. W. Wilson, first vice-president; J. W. Blanton Sr., second vice-president; Julius Schepps, secretary and J. W. Lindsley, treasurer. Alfonso Johnson will act as manager of the association, this position being an appointive one.

In addition to the officers the directors are: C. T. Smith, Charles Tucker, Don Houseman, Ray McDowell, George Dexter and O. W. Cox.

Prosecutor Goes to Fires

At the regular meeting the fire prevention campaign was the big topic. The Dallas agents are certainly going into this campaign with a will and no doubt will cut the losses in this city through their educational campaign.

The latest announcement made of a real accomplishment emanated from the fire marshal's office. The county has appointed Owen George, assistant prosecuting attorney, to supervise the investigation of losses in Dallas. Mr. George is officing with the fire marshal and he accompanies the latter to all blazes which occur. This gives the two an opportunity to study a fire from the very start and it is believed that arson cases will be unearthed a lot more easily than by waiting for several days after a fire for the investigation.

Agents Meet with Murdoch

**Oklahoma Insurance Board Secretary
Asks Cooperation in Weeding Out
Unqualified Producers**

OKLAHOMA CITY, Sept. 9.—William M. Murdoch, secretary state insurance board, was principal speaker at a meeting of insurance men Sept. 4, which he called for the purpose of discussing the agency situation in Oklahoma and of securing agents' cooperation in bettering conditions. Between 30 and 40 life, casualty and fire men attended the meeting, which was presided over by John Adams, president Associated Fire & Casualty Underwriters, Oklahoma City. Mr. Murdoch placed responsibility on every agent for reporting illegally licensed agents to the board for investigation. He said he expected by Dec. 1 to have personal letters from agents advising of such unqualified agents, and he also expects by that time to have 5,000 to 7,000 formal protests against issuing 1932 licenses to agents who were not properly licensed before that date. Since the first of the year 1931, there have been 1,000 protests from 15 towns, he said.

Take on Michigan F. & M.

Hornberger, Beckmann & Co. of San Antonio have been appointed Texas general agents for the Michigan Fire & Marine.

G. W. Funk in Oklahoma

The first assignment of G. W. Funk, who has just joined the Great American in the west as executive special agent, is in Oklahoma, where he is getting acquainted with his new field. Mr.

Funk was formerly general agent for the Automobile and Standard Fire of Hartford. He is directly responsible to Vice-President C. R. Street and will travel throughout western department territory.

Oklahoma Insurers' Date

The annual convention of the Oklahoma Insurers, originally announced for Oct. 9, has been postponed until Oct. 16, and will be held at Oklahoma City. Among the main speakers will be W. M. Murdoch, Oklahoma state insurance board secretary, and D. G. Foreman, secretary Texas Association of Insurance Agents.

Resume Fort Worth Meetings

FORT WORTH, TEX., Sept. 9.—The Fort Worth Insurance Underwriters Association resumed its sessions, which were recessed during the summer, today, with Dillard Kuykendall, president, in the chair. The new agents' licensing law and other timely subjects were discussed.

Plans for observance of National Fire Prevention Week will be made at a meeting of the fire prevention committee of the chamber of commerce tomorrow. W. E. Bideker is chairman of the committee.

Littlejohn Returns to Agency

E. P. Littlejohn, assistant secretary Commercial Standard Fire of Dallas, has resigned and will return to his father's agency at Marshall, Tex. Mr. Littlejohn has been in charge of the Houston office of the Commercial Standard, where he supervised south Texas and Louisiana. Mr. Littlejohn's father, R. P. Littlejohn, has one of the oldest and most successful agencies in Texas.

Texas Protection Move

NEW YORK, Sept. 9.—Fire managers here are interested in the reported formation of an east Texas fire protection committee by the southwestern district of the American Petroleum Institute, with a view to coordinating facilities of the oil and railway companies in controlling oil fires in the new producing area, but have no particulars of the movement. The low price at which oil has been and still is selling, has materially reduced premiums received by companies on the class, but fortunately there have been no bad fires so far.

Public Building Unsafe

Among the first fire prevention moves of the season in Oklahoma City was condemnation of the county court house as unsafe by G. F. Ross, fire department inspector. He declared the building is a fire trap and urged that fourth floor offices be abandoned and fire escape provided for the third floor.

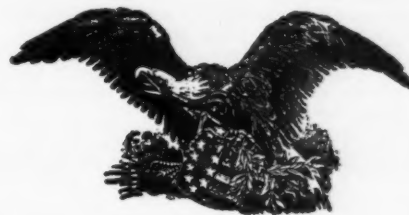
Incendiarism in Kilgore

A number of incendiary fires in Kilgore, Tex., caused the Texas rangers to patrol the streets, seeking a man of whom they have a partial description. "A local insurance man" is quoted as stating that he has received telegrams from insurers that they will cancel all policies in Kilgore if the outbreak of fires is repeated. Eight incendiary fires occurred in one day.

May Wedding Made Known

Announcement was made this week of the marriage of Clayton Bowers, manager of the bond department of the Frates Company, Tulsa, to Miss Dell Cecil, also of the Frates Company.

Its Name Indicates Its Character



Capital \$500,000

Progressive, yet conservative

WILLIAM H. KOOP,
President

ALEXANDER R. PHILLIPS,
Vice-President

GEORGE E. KRECH,
Vice-Pres. & Secretary

GERALD D. GREGORY,
Secretary

ALLEN W. FLEMING,
Ass't Secretary

E. PHILLIP GUSTAFSON,
Ass't Secretary

AMERICAN NATIONAL FIRE INSURANCE COMPANY

Columbus, Ohio

Operating Along Sound Lines

Great American Insurance Company New York

Choose
Your
Company

Choose
Your
Company

INCORPORATED - 1872
STATEMENT JANUARY 1, 1931
CAPITAL

\$16,300,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,250,518.69

NET SURPLUS

16,383,804.96

ASSETS

55,934,323.65

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$32,683,804.96

LOSSES PAID POLICY HOLDERS

\$222,940,109.32

WESTERN DEPARTMENT
310 South Michigan Avenue, CHICAGO, ILL.
C. R. STREET, Vice-President

Order 1932 Calendars Now!

Special 12-sheet rotogravure calendar with a timely insurance picture for every month. Colored backs. Get the exclusive franchise for your town. Send 10c for sample of Fire and Casualty or Life Calendar to: The National Underwriter, A-1946 Insurance Exchange, Chicago.

Helps you . . . helps your client!

WHEREVER kerosene, gasoline or other flammable products are used for cleaning, you can confidently recommend Oakite materials. Used in water solution, Oakite materials are definite proof against fire and explosion hazards in cleaning. Their use means speedy, thorough, economical results for the user, and an improved insurance risk for you. Write for booklets.

Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the U. S. and Canada

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Industrial Cleaning Materials and Methods

COSMOPOLITAN FIRE INSURANCE COMPANY

JAMES A. BLAINEY, *President*

Capital \$1,000,000

75 MAIDEN LANE
NEW YORK, N. Y.

Attractive Agency Contracts

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE
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ASSURANCE CO., LTD.

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Automobile, Liability and Plate Glass

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GEO. M. EASLEY and COMPANY

General Agents
DALLAS

Representing only financially
sound stock insurance
companies in TEXAS

Fire
Bonds
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Order 1932 Calendars Now!

Special 12-sheet rotogravure calendar with a timely insurance picture for every month. Colored backs. Get the exclusive franchise for your town. Send 10c for sample of Fire and Casualty or Life Calendar to: The National Underwriter, A-1946 Insurance Exchange, Chicago.

The marriage took place May 11, in Fort Smith, Ark. They reside in Tulsa.

Claim Services Merger

The West Texas Claim Service, Wichita Falls, Tex., has been acquired by the Perry Insurance Claims Service of Dallas. C. Perry is head of the merged companies. G. H. Osborne is in charge of the Wichita Falls branch.

Resumes Old Connection

J. L. Moore, formerly with the Security Union, and prior to that time with Cravens, Dargan & Co., has rejoined the latter office as special agent

and claim adjuster, with headquarters in San Antonio, Tex.

Dickey's Daughter Dies

Mrs. Hugh King, daughter of W. L. Dickey, Tulsa insurance man, died at Topeka, Kan., and was buried in Tulsa. Mr. Dickey is one of the best known insurance men in Tulsa, being connected with the Dickey, Ashby, Fountain Company.

Arkansas August fire losses were \$373,900, including the \$100,000 fire which destroyed a stove manufacturing plant at Brinkley and the \$35,000 fire which destroyed an asphalt manufacturing plant at El Dorado.

IN THE SOUTHERN STATES

Alabama Insurance Report

Superintendent Greer Makes Several
Law Recommendations—Property
Loss Ratio 63 Percent

MONTGOMERY, ALA., Sept. 9.—Numerous law recommendations are contained in the annual report of Superintendent Greer of Alabama for consideration if a special session of the legislature is called. He suggests a law designating classes of securities in which a company may invest its assets. A law defining standard policy provisions for all forms of property, health and accident insurance should be passed, he urges. There should be a higher standard for admission of casualty companies or they should be required, at the discretion of the superintendent, to put up a bond or deposit for public protection. He points out that within 18 months people of the state have paid \$136,000 in premiums to casualty companies in Alabama which have become insolvent. He recommends standard regulations for construction of buildings, or a standard building code. He recommends higher standards of admission for reciprocal or inter-insurance exchanges and more complete legal safeguards for subscribers.

A full time experienced actuary or auditor for collection of insurance revenues and handling the state's small domestic companies should be employed. The workmen's compensation law should be amended or rewritten, as it is ambiguous, and to some extent obsolete, having been enacted in 1919. There has been much litigation under the law. He urges reduction of the minimum number of employees subject to the act from 16 to 5; that self-insurers be required to furnish satisfactory proof of financial ability or to provide a satisfactory bond, and that administrative authority of the compensation clerk be increased by changing his title to deputy commissioner and giving him full administrative power.

"Within the year 1930, \$17,186,153 was expended for property insurance protection," Mr. Greer reports. "Of this amount \$10,888,552 was returned for losses sustained (or over 63 percent). The losses sustained to a large extent, at least, were preventable. They were due to the ignorance, carelessness, thoughtlessness, recklessness, or downright crookedness of somebody somewhere—an awful price to pay for partial replacement of property carelessly, recklessly, or maliciously destroyed or damaged. Is it too much to hope that a text book dealing with the elementary principles of insurance adapted to the comprehension of adolescent boys and girls may be taught in our schools? This plan would eventually largely solve the problem."

Income of the department was \$1,047,865, compared with \$1,044,585 for 1929. Disbursements were \$26,689 against \$34,335 in 1929, Mr. Greer says. The ratio of expenses to receipts for 1930 is 2.55 percent, while the ratio for the last 16 years is 3.51 percent.

Five-Year Term Rule Revoked

Reduction in Premium Does Not Violate
Anti-Discrimination Laws, Alabama
Attorney-General Rules

MONTGOMERY, ALA., Sept. 9.—An opinion rendered by the Alabama attorney-general's department in February, holding illegal a five year term fire policy with a total premium amounting to four yearly premiums, has been revoked by Attorney-General Knight, who now holds that such a policy does not violate the rebate or anti-discrimination laws of the state. The former opinion was written by the late L. M. Otts, assistant to Mr. Knight.

Mr. Knight reconsidered the case upon request of Superintendent Greer following correspondence with the Merchants Fire of Indiana, which writes the particular type of policy involved.

"The character of the policy issued does not constitute a rebate," said Mr. Knight. "It will be noted that there is no evidence of any reduction in the premium other than that shown on the face of the contract between the company and the insured."

Opportunity Given All Persons

"I have also reached the conclusion that the anti-discrimination laws of this state are not violated by the issuance of the type of policy in question. From a reading of the contract it will be seen that all persons who purchase and maintain a policy for a term of five years are given the rate equal to four yearly premiums for the five-year period."

"It has been suggested that this policy might set up a class whereby a person taking out such a term policy would acquire a policy of a reduced premium in view of the fact that he is only insured for the length of time of which the premiums have been paid. A careful consideration discloses that if the premiums are not paid for the five year term, the insured must pay the regular short term rate. Consequently, we do not find that a person, by simply agreeing to take out the five-year term policy, notwithstanding the fact that he does not keep his agreement, is given a lower premium than the one purchasing the short term policy."

Debate Agency Balances

The Kentucky Fire Underwriters Association met in Louisville Sept. 8 for the first time since the June meeting. There was further discussion on strengthening agency balance rules, and also on the proposal to adopt methods similar to those in Ohio. This question was placed before members in a special letter during vacations by association officials. Opinion is divided in the matter of adopting the Ohio plan and there will be further discussion.

Marine Jurisdiction Increased

C. A. Bickerstaff, southern department manager for the Fireman's Fund, announces that his department has been given jurisdiction in Louisiana, Texas,

Alabama and Mississippi over inland marine. The southern department for nearly a year has been handling the inland marine business in Georgia, Florida, Virginia, North and South Carolina. The department now has supervision on inland marine lines for its entire territory.

W. S. Pearce, southern general agent for inland marine business, has been promoted to a home office position with the Fireman's Fund.

Seek Cut in Montgomery Rates

MONTGOMERY, ALA., Sept. 9.—City officials are seeking a 10 percent reduction in fire rates in the downtown district of Montgomery. The Alabama Inspection & Rating Bureau has furnished the city with data showing the requirements necessary to obtain the reduction. The city is expected to meet the requirements in time to make the reduced rates available the first of the year.

Adopts Agent's Inspection Report

NEW ORLEANS, Sept. 9.—The Louisiana insurance commission has adopted an agent's inspection report to accompany each daily report on fire insurance covering property rated under third and fourth class, and country schedules. In order to answer properly the questions in the report the agent will have to inspect the property, and also supply certain information concerning the assured. The use of this report, it is believed, will have a tendency to reduce over-insurance, and at the same time give much important data from an underwriting standpoint.

Slim Representation

MONTGOMERY, ALA., Sept. 9.—Enoch Morris of Birmingham, secretary-treasurer Alabama Association of Insurance Agents, perhaps will be the only official representative of the organization at the annual convention of the National Association of Insurance Agents in Los Angeles. President Arthur Mead of the Alabama association declares pressure of business will prevent his attendance. C. L. Gandy, Birmingham, past president of the association and executive committeeman of the National Association, will attend.

Lyons Succeeds Kimmich

A. G. Lyons, former field representative for stock companies, who a few months ago became connected with the Mutual Fire Insurance Agency of Louisville, has been placed in charge of that office, succeeding A. R. Kimmich, formerly of Indianapolis, who has left the company without making known his future plans. The agency represents a number of leading mill and preferred risk mutuals. It was formed a few months ago as an agency for mutuals, and was incorporated and is owned by a group of cooperating mutuals.

Thirty Companies Face Suspension in Georgia

ATLANTA, Sept. 9.—Because of tardiness in filing their semi-annual statements 30 or more fire, life and casualty companies have endangered their rights of continuing to operate in Georgia until Jan. 1. The law regulating the filing of these figures is very rigid and specific. It does not even provide for discretionary administration by the insurance department.

Companies are given 60 days in which to file their semi-annual figures. If they fail to do so they must forfeit their licenses until Jan. 1.

Lewis Irons, deputy commissioner, stated that the 30 delinquents had not as yet been called to his attention by the governor and that he could not take action until he had been officially notified by the governor. Governor Russell, who only recently took office, has been exceedingly busy signing a large batch of bills passed by the legislature and has taken no official notice of the delinquent companies, although the time limit for filing semi-annual statements expired on Sept. 1.

merly of Indianapolis, who has left the company without making known his future plans. The agency represents a number of leading mill and preferred risk mutuals. It was formed a few months ago as an agency for mutuals, and was incorporated and is owned by a group of cooperating mutuals.

Georgia's Los Angeles Contingent

AUGUSTA, GA., Sept. 9.—Those from Georgia going to the convention of the National Association of Insurance Agents in Los Angeles include J. S. Raine, secretary Southeastern Underwriters Association; W. E. Harrington, Atlanta; Scott Nixon, Augusta; H. C. Arnall, Newnan, and S. O. Smith, Gainesville.

Legislative Committee Meets

ALEXANDRIA, LA., Sept. 9.—The legislative committee of the Louisiana Insurance Society held an executive session here to discuss proposed legislation providing for the establishment of a state superintendent of insurance to take the place of the insurance division of the department of state and the Louisiana Insurance Commission. No statements were given out regarding the committee's deliberations.

ON THE PACIFIC COAST

Factory Association Planned

Proposed Organization for Pacific Coast States Discussed Further—Another Meeting Will Be Held Oct. 1

SAN FRANCISCO, Sept. 9.—Additional consideration was given to the organization of a Factory Insurance Association to cover all Pacific Coast states at a meeting of Pacific Board members here last week. Clifford Conly, past president of the Pacific Board, manager of the Phoenix of Hartford and Great American, was continued as chairman of an "informal committee" which will proceed with formulation of plans for the establishment of the association.

Equipped Risks Increasing

Another meeting is to be held Oct. 1, when it is expected some definite action will be taken after the general agents and managers have had an opportunity to consider the proposal and take it up with their principals if they so desire.

Mr. Conly points out that the number

of equipped properties in the Pacific Coast states has increased materially the past few years and it was felt by many executives that an association of this kind would make a valuable addition to their insurance activities. He emphasizes that the plan contemplates this being a service and underwriting organization only, rate making remaining with the Pacific Board or bureaus having proper jurisdiction.

Follow Eastern Plans

It is planned that the proposed organization would function largely along the same lines as the Factory Insurance Association of Hartford and the Western Factory Insurance Association of Chicago.

Members of the committee in addition to Mr. Conly are Edwin Parrish, vice-president America Fore; E. T. Cairns, vice-president Fireman's Fund group; Joy Lichtenstein, manager Hartford Fire; R. H. Griffith, vice-president Glens Falls; A. T. Bailey, manager North British & Mercantile; A. M. Brown, Edward Brown & Sons, and T. H. An-



WHAT IS THE PURPOSE OF A CO-INSURANCE CLAUSE, AND HOW DOES IT OPERATE?

In connection with some forms of burglary insurance, sprinkler leakage and water damage insurance, or with fire insurance, losses often amount to only a part of the total value of the property insured. Hence, there is a tendency for many policyholders to insure only up to the amount they estimate they might lose.

Inasmuch as partial losses are more frequent than total losses, this practice, if not regulated, would result in rate discrimination against those policyholders who buy adequate limits. Such regulation is accomplished through the application of a co-insurance clause, in the absence of which the premium rate is considerably higher.

This clause requires the policyholder to carry adequate limits, or else become a co-insurer with the company and pay a definite proportion of each loss. Examples of its operation will be given in the next issue of this series.

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derson, manager Liverpool & London &
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Salt Lake Agents Meet

The Salt Lake City Agents Associa-
tion held its first meeting of the sea-
son. During the summer a membership
committee has been active and as a re-
sult this meeting was attended by rep-
resentatives of 30 active Salt Lake
agencies, an increase of 50 percent over
previous attendance.

The association passed a motion re-
questing the commissioner's office to
publish a booklet showing the names of
all agencies and individual agents and
the companies that each represent so
that company representatives can be lo-
cated when endorsements and adjust-
ments are necessary on policies held by
other agencies.

An invitation received from the
agents' association of Ogden was read,
inviting the Utah Association of Insur-
ance Agents to hold its annual meeting
there Oct. 24. Announcement was made
that a delegation of ten agents will at-
tend the convention of the National As-
sociation of Insurance Agents in Los
Angeles. The delegation will leave by
automobile Oct. 19.

New General Agencies Approved

SAN FRANCISCO, Sept. 9.—Insur-
ance Plans, Inc., has been appointed
general agent for the Hibernia Under-
writers of the Home of New York, the
appointment receiving approval of the
general agency committee of the Pacific
Board. J. R. Molony is head of the new
general agency.

Appointment of Smith & Wilson of
San Francisco as general agents for the
Trinity Fire and the Western General
Agency of Salt Lake City for the
Northwestern Fire & Marine in that
territory was also approved.

Insurance Men at Chiefs' Meeting

J. H. Schively, secretary of the In-
surance Federation of California, chap-
lain of the Pacific Coast Association of
Fire Chiefs, delivered the memorial ad-
dress at its annual convention in San
Diego. A number of insurance execu-

tives from San Francisco attended, in-
cluding F. J. Agnew, assistant secre-
tary Fireman's Fund group; J. W. Ste-
vens, chief of the fire prevention bu-
reau of the National Board; C. H. Lum,
associated general manager of the Na-
tional Board; Herbert Raines, engineer,
and E. N. Blanford, chief arson inves-
tigator for the same organization.

California Pond Meets

The California Blue Goose, Los An-
geles, held a luncheon-meeting at which
V. W. McKinney, most loyal gander,
presided. Guest speaker was Capt. Paul
Wolfe of the arson bureau, Los Angeles
fire department. The pond plans to fea-
ture an educational program at each
meeting.

California Makes Great Gain

SAN FRANCISCO, Sept. 9.—With
total paid membership of 778 for fiscal
year 1931-1932, the California Associa-
tion of Insurance Agents shows the
greatest actual increase of any associa-
tion in country, according to Frank Col-
ridge, executive secretary. Exceeding
its quota by 277, the California Associa-
tion is now crowding Ohio with 812
members for the second largest associa-
tion in the country. Two local Cali-
fornia associations have signed up for 100
percent attendance at the National Con-
vention. These are the East Bay In-
surance Exchange and San Bernardino
Association.

Grube Now Superintendent

F. J. Grube has been advanced to
superintendent of the southern Cali-
fornia department of the Pacific Na-
tional Fire at Los Angeles. He was
formerly superintendent of the improved
risk department at the home office in
San Francisco.

New Montana Hail Rates

Hail rates in Montana for the 1932
season range from 5 to 10 percent, ac-
cording to E. K. Bowman, who is in
charge of state hail insurance. The
state has been divided in five zones with
varying rates.

IN THE MOUNTAIN FIELD

Push State Association Idea

Colorado Springs Board Names Commit-
tee to Work with Other Local
Associations on Plan

DENVER, Sept. 9.—The Colorado
Springs Board has appointed a com-
mittee for the purpose of promoting the
establishment of a state association of
insurance agents, according to word re-
ceived here. The new committee will
cooperate with committees from local
associations of other cities with a view
of effecting an organization in the near
future.

According to Herbert Fairall of the
Denver association it is planned to com-
plete the state organization with about

a half dozen of the leading city organ-
izations. When this is done, chapters
of the state organization will be organ-
ized in the more important towns of the
state and in counties where there are no
important towns.

Cancellation Rule Unchanged

DENVER, Sept. 9.—Proposed changes
in the flat cancellation rule were op-
posed at the Mountain Field Club's
last meeting in a report by the govern-
ing committee. The committee be-
lieves that no advantage would be ob-
tained by a change from the present
rule which provides cancellations must
be turned in on or before the 15th of
the month following the calendar month
in which the business is written.

NEW ENGLAND NEWS

Archer in Charge at Boston

Given Direct Supervision of Great
American Fleet, Assisted by Adlard
and Harding

Eugene S. Archer, secretary of the
Great American, and formerly a special
agent in the New England field, has
been appointed to the Boston office to
have direct supervision over the busi-

ness of the fleet in Boston and metro-
politan district. Mr. Archer's head-
quarters will be at the same office as
the Massachusetts Fire & Marine, one
of the members of the fleet. Walter
Adlard, vice-president Massachusetts F.
& M., at the same time, is appointed as-
sociate manager, and F. W. Harding,
special agent, will assist Mr. Archer.

President W. H. Koop states the ap-
pointment is made in recognition of the
importance of Boston and the New
England field in the insurance world

MEETS YOUR SELLING NEEDS



OCTOBER—Landlords, owners and tenants may
be held responsible for injuries on their property.

THIS is one of the 12 timely pic-
tures from The National Under-
writer's 1932 Calendar designed
especially to fit the selling needs of
local agents. It has 12 brown roto-
gravure sheets mounted on a heavy
red back. Exclusive franchises granted
in cities under 100,000. Send 10c for
sample.

The National Underwriter
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Fire

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YOU can turn prospects into customers for 15 cents each (or less) by distributing National Underwriter Insurance Calendars to them. National Underwriter Insurance Calendars not only keep your name before the public eye but they actually sell insurance.

Actually Sell Business

H. F. Austin, Patchogue, N. Y., reports: "I want to say that your calendars always result in a very large January business following the mailing of the calendars and we consider them one of the best pieces of publicity that we use in our advertising work."

On the Job for You

For a little over 1c a month The National Underwriter 1932 Insurance Calendars will be on the job for you the 366 days of 1932 carrying your message to your clientele.

It is a twelve sheet rotogravure calendar with a different seasonal picture for each month. The pad is mounted on a heavy colored back and your name appears at the top where it strikes all eyes.

Write for full information about securing the exclusive franchise in your city.

The National Underwriter

A-1946 Insurance Exchange

Chicago

and with a desire to develop further business in that territory.

Mr. Archer has spent his entire business life with the Great American. After his school days he went into the home office in 1895, working up through various grades and being sent to the New England field as special agent, covering Connecticut. He was recalled to the home office in 1916, and placed in charge of the New England department. In time he was made assistant secretary and then secretary. He is a member of the Boston committee of the Eastern Underwriters Association.

Boston agents will continue to report their business to New York as in the past, but in addition will have the opportunity of consulting with Mr. Archer in matters of general policy, lines, etc.

It is expected that at the next meeting of the board of directors of the Massachusetts F. & M., Mr. Archer will be made a vice-president, and in such capacity will have direct supervision over the New England department of that company and also the New England department of the North Carolina Home.

Connecticut Insurance Day

Connecticut Insurance Day is to be held Oct. 29 with George E. Turner, president First Reinsurance, as general chairman. There will be a general session in the morning followed by luncheon. The fire, life and casualty groups will meet separately in the afternoon and a banquet will be held in the evening.

Win Insurance Course Prizes

BOSTON, Sept. 9.—W. C. Johnston, Fireman's Fund, had the highest average on the three year course in fire insurance offered by the Insurance Library Association of Boston. A. V. Shurts, Fireman's Fund, had the highest mark in the examinations during the last year. J. R. Page, Fireman's Fund, was second. E. C. Dunn, Employers

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John H. Griffin, President
Minneapolis, Minnesota

Fire, and C. P. Howland, Howland agency, were also awarded prizes for high examination marks. Prizes were given the high men by the Boston.

Announce Insurance Society Slate

BOSTON, Sept. 9.—The annual meeting of the Insurance Society of Massachusetts will be held Oct. 1. H. A. McKenna, London Guarantee & Accident, is slated for president. Other nominations are: First vice-president, K. H. Erskine, Liverpool & London & Globe; second vice-president, A. J. Anderson, O'Brien, Russell & Co.; third vice-president, A. D. Cronin, A. D. Cronin & Co.; secretary-treasurer, F. J. Devereaux, Patterson, Wyld & Windeler.

Eastern States Activities

New Jersey Agents' Meeting

State Association Will Hold Convention at Atlantic City, Oct. 9—Quaid to Be Speaker

NEWARK, Sept. 9.—The annual meeting of the New Jersey Underwriters Association of which Harvey B. Nelson of Jersey City is president, will be held Oct. 9 at Atlantic City. One of the speakers will be William Quaid, executive vice-president Southern Fire. The membership of the organization is now an even 400, 42 new members having joined since the last meeting and 92 having been reinstated. Harry Godshall of Atlantic City, former president, is chairman of the committee on arrangements for the meeting.

Agents to See Van Schaick

The conference committee of the New York State Association of Local Agents, of which Warren Goodwin of New York City is chairman, has a number of matters to take up with the insurance department. A conference will be arranged at the convenience of Superintendent Van Schaick, probably early next month.

Busy on Agents' Program

John S. Burwell of Scranton, who is state secretary of the Pennsylvania Association of Insurance Agents, is busy shaping up the program for the annual convention of the association at Wilkes-Barre, Pa., Oct. 15-16. The Mallow-Sterling hotel will be headquarters.

Canadian Field Happenings

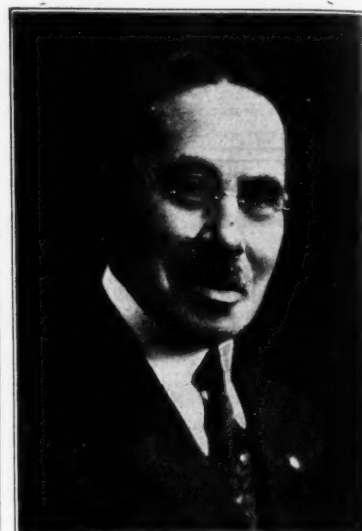
Foster Speaks for Uniformity

Amendment of Life Insurance Act in All Provinces Tribute to Superintendents' Association

Adoption in each of the Canadian provinces of the amendment to the uniform life insurance act, increasing the limits which may be written on the lives of children less than 10 years of age, is a tribute to the policies of the Association of Superintendents of Insurance of the Provinces of Canada, according to R. Leighton Foster, Ontario superintendent, who delivered the presidential address at the meeting of the association in Winnipeg. The amendment was proposed last year at the meeting of the association in Edmonton.

"Doubts were widely expressed as to the wisdom of our action," Mr. Foster declared. "It was contended that we

Robbery Victim Helps In Capture of Bandit



EZRA M. SPARLIN

Ezra M. Sparlin of Rochester, N. Y., who is chairman of the membership committee of the National Association of Insurance Agents, figured in the news of his city last week, having been robbed and later aiding the police in capturing one of the bandits. He was robbed of a \$300 diamond ring and \$40 in cash. A pair of bandits jumped in his car and at the point of a gun forced him to drive about until midnight when they took the ring and money and disappeared.

Before they left, Mr. Sparlin told them the ring was valuable to him as a keepsake and would make a bargain. If they would call him at his office at a certain hour, he told them he would meet them at a place appointed and pay them \$150 for the ring.

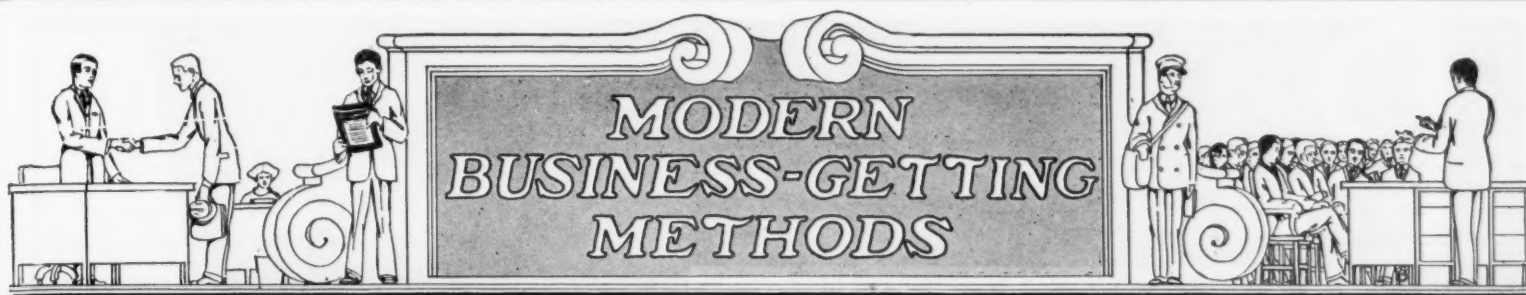
Mr. Sparlin was called and told to meet a man under a railroad bridge. The police had learned of the holdup previously and were on hand. One of the bandits was there. He was captured and the stolen ring was found on him.

were tempting fate; that if one amendment were recommended, other amendments less desirable might also be recommended; and that in any event all provinces could not be expected to pass the amendment within a reasonable time and thus uniformity would be destroyed. Notwithstanding these objections the recommendation was unanimously adopted and all members charged with the responsibility of persuading nine provincial legislatures that the amendment was desirable.

All Legislatures in Session

"The legislatures of all nine provinces convened during the first six months of 1931. The amendment was introduced as a government measure in all nine legislatures; no other amendment was proposed; all legislatures approved the amendment, which, by agreement among the provinces, became the law July 1. Not only did every province pass the amendment, but in no province was any other amendment proposed.

"I believe this new achievement in uniformity," Mr. Foster concluded, "should inspire us to redoubled efforts and encourage all branches of the business to lend their warmest cooperation to our association. With such an example surely we can secure uniformity in additional fields of insurance legislation without prejudice to local conditions in each province. 'Uniformity where possible, diversity where necessary,' should remain our slogan and motto. Such is one of the advantages of a federal system of government."



Hebble Says Public Liability Is a Good Money Maker for Agents

That public liability insurance now offers a great opportunity to the insurance agent was the opinion expressed by C. R. Hebble, Cincinnati, speaking before the agents' convention of the Buckeye Union Casualty of Jackson, O., in Cleveland.

A total of 150 agents were present at the convention, which included a trip to Niagara Falls on the lake. The first meeting of the convention was held following the dinner on board the "See-and-bee" at Cleveland. C. R. Hebble, editor of the Fire, Casualty & Surety Bulletins, was the featured speaker.

"The same reasons for buying public liability insurance on an automobile are applicable to the sale of residence liability. This is one of the best lines to push during periods of depression," Mr. Hebble stated.

"Nine out of 10 people insure against the most probable loss. They should insure against that loss which would cost the most, should an accident occur. Probability is a side issue. This is an important argument where the possibility of an accident is remote," he explained.

No prospect ever becomes interested in insurance until he knows what it will do for him, Mr. Hebble stated. Because

people buy what they want and not what they need, the failure of an agent to sell is often due to his failure to tell the advantages of the insurance.

"Don't try to sell a 'policy.' Sell insurance protection. Don't keep your eye on commissions. Try to do something for the prospect and keep his best interest at heart," Mr. Hebble advised.

One of the most important prerequisites to successful selling is knowledge, he believes. A better understanding of insurance is possible by looking upon it as a transfer of risk from the individual to the company.

"Knowledge of insurance permits the

agent to do something for the assured that has not been done before. This wins confidence. If we tell a prospect only the things that another agent has already told him, he will not believe that we know our business better than the other agent," Mr. Hebble explained.

"Think of the policy not in terms of premium but in terms of the amount of money involved. This first occurred to me several years ago when a prospect gave me five minutes for an interview. I requested that he look upon the subject as a matter of \$60,000 instead of a few hundred dollars premium per year. I found it to be a valuable approach," he added.

An agent should be on the watch constantly to see that policies are written properly and that the assured is protected as broadly as possible, Mr. Hebble emphasized in closing.

Inland Battle Reviewed by E. D. Lawson

The boom in inland marine which attracted a host of newcomers to the field, resulting in one of the keenest competitive insurance fights and causing the formation of the Inland Marine Underwriters Association, was reviewed by E. D. Lawson, western marine manager for the Fireman's Fund, in his address before the Iowa Association of Insurance Agents in session at Sioux City.

"To those not writing the class," Mr. Lawson recalled, "the rise in inland marine premiums on the part of those companies pioneering in the field, looked so rich that many of them launched a marine department and started a drive for premiums. What followed was one of the keenest coverage and commission wars ever fought on the insurance front. There were not enough experienced marine men to fill the positions open and often an individual with more courage than experience was placed in charge of a company's marine department.

Newcomers Struggling for Place in the Sun

"The result was glorious to behold," he added, "with the newcomers fighting for a place in the sun and the regular established companies fighting equally as hard in self defense, running the chance of seeing their richest lines disappear. Infringements on the fire and casualty field became more recurrent. Insurance commissioners became cognizant of these infringements and definite steps toward new legislation to

give them control over this business were made and out of all this chaos came the Inland Marine Underwriters Association, which is composed of some 140 companies, practically all of the companies that write inland marine business. This organization has under its jurisdiction personal effects, jeweler's block, parcel post, jewelry floater and personal fur floater, and it is hoped this association will stabilize this class of business."

Mr. Lawson, in prefacing his address, referred to inland marine as "dry" and ocean marine as "wet." He pointed out that marine companies are in a position to issue policies which can be tailored to fit any particular risk.

"Last year," Mr. Lawson said, "was a big year for inland marine in the way of trade profit and sales experience. This situation not found generally in insurance has attracted the special interest of the insurance executives of all companies writing inland marine insurance, with the result that these particular lines are enjoying enthusiastic support. This means that some very valuable, practical and instructive sales literature is being distributed. It means that the best in insurance advertising is finding its way into the development of these lines. It means that real sales and underwriting experts are available—men thoroughly trained in these elastic marine floaters—and the companies are anxious to have the services of these men called on by live local agents."

How to Save Premium from Economy Axe

C. R. Hebble, editor of the Fire, Casualty & Surety Bulletins, published by THE NATIONAL UNDERWRITER, is author of a pamphlet "Trimming Old Man Expense," which is admirably timed as the means of saving insurance premiums from the axe of those individuals who are shaving the budget in every direction. Pamphlets are for circularization among clients of agencies.

"It is not easy," the pamphlet declares, "to keep expenses within necessary bounds. But it has to be done—by not doing this, by not buying that. The problem is how to select the particular expense item to be kept down, reduced or eliminated.

"Insurance can be dropped or reduced

in amount," it continues. "Its elimination or reduction involves no decrease in number of employees, no lowering of wages, no cheapening of materials or staff, no postponement of repairs, no slowing up of sales effort. Thus it might be concluded that without insurance that the business will go on just the same as with insurance.

"Insurance expenses," the pamphlet declares further along, "are not like other expenses. The difference is so important, so vital that no one can afford to overlook it. For to avoid the payment of insurance premiums may mean serious and disastrous loss. To avoid expenses other than those for insurance cannot carry such dire penalties. But

Greater Attention Must Be Given to the Smaller Buyer

Agents in the future will become more and more dependent for their volume on small individual accounts and more attention must be paid to assureds of that type, Paul C. Howe of Sioux City predicted during the course of his address before the annual convention of the Iowa Association of Insurance Agents at Sioux City.

"Every so often we lose a big line, not always to a competitor. Among the large corporations self insurance is on the increase. It hit my agency a body blow not long ago. I think that more and more we agents are going to be dependent for our volume on small individual accounts. What are the most successful merchandising firms today? Aren't they those which sell little stuff at low prices to a lot of people? Our dwelling and household goods policies may be a lot of bother but they run up the premiums and we can't lose them all at once.

Urges Personal Calls in Place of Letters

"I say we should be cultivating these folks more than we do. Some of them are hard up and when the renewal date comes around your old client will be wondering how he is going to pay the premium that never bothered him before. This year, I think, we should make personal calls instead of writing letters. If we don't, many of these renewal premiums will be lost by the way-side.

"In order to help keep up on new developments, I think it is well to subscribe for a bulletin service. There are several. As you read the fresh bulletin, ask yourself: 'Whom can I sell that to?'"

Although commending the companies for pushing the sale of so-called side lines, Mr. Howe said that discrimination must be shown. He said that recently one of his companies in its publication devoted a whole issue to leasehold insurance, "which in my judgment is a waste of printer's ink."

Very few leases, Mr. Howe declared, now in effect have much insurable value, for the reason they were made when rental values were higher than they are now. "There might be some good prospects for leasehold insurance in a couple of years," he declared. "The situation is well worth watching."

serious or disastrous loss is the last thing in the world that should be chanced these days or any other day.

"Cutting off an expense of \$100 a year for public liability insurance gives a possible loss of \$50,000 and is an entirely different matter from saving \$100 by using a different kind of paper, which costs \$100 less, or by doing with the old desk instead of buying a new one, or by cutting out \$100 club fees.

"The measure of the value of insurance is not its cost, the amount of the premium, but the amount of possible loss that the premium will prevent. Insurance is not just one other item of expense," he concludes.

Scherfe Tells His Creed As an Insurance Agent

W. A. Scherfe of Fort Madison set forth his creed as an insurance agent in the course of his address before the Iowa Association of Insurance Agents at Sioux City.

"An agent's duty to his client," Mr. Scherfe declared, "is to act in the highest good faith for his best interests. An agent's duty to his company should be equal to that of his client. He should help the company by advising the client how to reduce the hazard of the risk, incidentally reducing the rate. The agent should represent nothing of a questionable character, should not offer to his client any coverage but what is to his best interest. He should not deceive his client in permitting him to place his insurance in any company except that which is of good sound financial standing. He should so conduct himself and his business that the public will have the fullest confidence in his ability to give advice on matters of the most vital importance."

Mr. Scherfe expressed surprise that business men, cautious at every step, will buy mutual or reciprocal insurance, "involving serious chances of the loss of many thousands of dollars."

"Men as a rule," he said, "will submit to their attorneys most any matter when they intend to enter into a contract even with a tried and true friend, but let some stranger come along with a wide open power of attorney to a reciprocal attorney-in-fact, in most cases he signs it without reading it, all because he is advised that he will get a great reduction in the rate and something for less money than the local agent is required to ask for his coverage."

BALLOONING ABOVE THE CROWD

Hundreds of agents believe that the prosperity balloon, which came tumbling down from the sky in the fall of 1929, is still on the ground. And perhaps, in their individual cases, they are right. » » On the other hand, there are hundreds and hundreds of Standard agents who have used our individually planned advertising campaigns* as a business tonic, and have followed these campaigns with personal solicitation in a vigorous and thorough manner. As a result, they have come through the last two years a good pace ahead of their past business records; they have ascended in prosperity balloons of their own making. » » Their flights have taken them above earth-bound dispensers of gloom and pessimism.

*Ervin F. Hill, Lynn, Mass., gave us 8 names to circularize with direct-mail folders and letters on Paymaster and Messenger Holdup Insurance. As a direct result of his campaign, he wrote \$300.00 in premiums.



STANDARD ACCIDENT
INSURANCE COMPANY

Detroit, Michigan

The Friendly American Company since 1884... writing all forms of Casualty Insurance and Fidelity and Surety Bonds

The National Underwriter

September 10, 1931

CASUALTY AND SURETY SECTION

Page Thirty-five

Storm of Protest on Rate Increase

Massachusetts Is Aroused Over 11
Percent Boost in Compulsory
Auto Liability Scale

HEARING SET FOR FRIDAY

Many Proposals Fly, Including Repeal-
ing or Changing Law and Peti-
tion for State Fund Bill

BOSTON, Sept. 9.—Announcement of an average increase of 11 percent in automobile liability rates for 1932 under the compulsory law, by Commissioner Brown has started an avalanche of protests, organized and unorganized, from cities, towns, motor associations and dealers, and politicians, which has deluged the state house.

The commissioner set Friday morning, Sept. 11 for hearing. Not content, however, Mayor Curley of Boston called for a conference here today of mayors of metropolitan Boston. The mayor of Somerville will conduct a conference of the Federation of Municipalities there tomorrow.

Termed Confiscatory Tax

The Chelsea chamber of commerce has circulated a letter among citizens declaring "you are maliciously and cold-bloodedly being robbed through a confiscatory insurance tax."

Taxicab and laundry owners' organizations have organized to protest the rate increase and the law.

Senator Brodine and Representative Carroll of Revere filed a petition for a special commission to examine into the law, with power to summon books, records and employees of all insurance companies operating in the state, investigate carriers' investments and expenditures, including official salaries and acquisition charges.

Councilor J. F. Dowd of Boston recommended to Mayor Curley that cities and towns raise a fund of \$50,000 to retain a staff of insurance lawyers to fight the increase.

Files Initiative Petition

Mayor J. J. Murphy of Somerville has filed an initiative petition for a bill to repeal the compulsory law in its present form and to substitute legislation providing for an insurance system under state supervision. The plan proposes that car owners would be required to pay premiums to a public fund from which claims would be paid. In the event an owner did not join the fund he would be required to furnish bond against damage suits.

Republicans and Democrats alike have combined to present a petition to the governor to call an extra session of the legislature that the law may be repealed before the increased 1932 rates become effective.

(CONTINUED ON NEXT PAGE)

Chicago Bank Embezzlement Found Officially \$3,666,929

ONLY \$2,000,000 IS COVERED

London Lloyds Hit for Limit Loss and
Financial Institution's Reserves
Must Stand the Rest

Magnitude of the embezzlement in the Continental-Illinois bank at Chicago by Walter E. Wolf, old employee and manager of the coupon department, has grown daily as audit progressed, until from the first estimate of \$1,500,000 it has jumped to the final official figure of \$3,666,929.

Of this, \$2,000,000 is covered under a banker's blanket bond in London Lloyds. The remainder is being assumed by the bank, which over the signature of Arthur M. Reynolds, board chairman, announced Tuesday that it will charge the uninsured remainder against its reserves.

Believed Record Theft

This is one of the largest defalcations in the history of banking, being exceeded only by the loss of \$3,694,000 in the Union Industrial bank of Flint, Mich., a year or so ago, which was found chargeable to a conspiracy of employees, who were indicted and found guilty.

So far as is known Wolf of the Chicago bank had no "inside" help, so that his thefts of securities over a period of 12 years for collateral in losing stock and grain speculation, probably is a record for this type of unassisted embezzlement.

There undoubtedly will be considerable salvage. The bank already has recovered securities valued at \$500,000. A long and costly series of legal battles against investment houses and stock brokers certainly will result in the bank's effort to secure possession of securities which may or may not have been accepted in good faith by all those concerned, but which nevertheless were abstracted illegally from the bank by Wolf in the hope the arrangement would be only temporary and that market profits would set him straight.

Fine Legal Point Involved

A fine legal point is involved whether the brokerage houses can be made to give up the securities or their value, if sold to cover, and thus shoulder Wolf's loss.

Just what the bank can do about recovering under the various accounts opened by Wolf is not known, nor are the various legal points involved in the situation thoroughly threshed out. Wolf opened so many accounts under so many different names that it may be months before all of his maneuvers can be uncovered. As the situation stands at the present time, the bank appears to be the loser to the extent of approximately \$1,000,000, with the possibility of the net loss running even higher.

It is understood in Chicago surety circles that the \$2,000,000 Lloyds bond was written at a premium of \$59,000 as against the \$94,000 manual rate submitted by American surety companies. Also, an interesting rumor is that the bank was offered \$1,000,000 additional

Rosenwald Aide Urges That Group Sickness Be Pushed

BADLY NEEDED BY WORKERS

Finds Average Person Unable to Budget
for Uncertain Contingency Such
As Ill-health

Michael M. Davis, director of medical service of the Julius Rosenwald fund, this week urges in an article prepared for publication by the University of Chicago "Press" that group sickness insurance be employed more generally in industry and business.

He estimates that \$8 to \$15 a year per person employed in this way would pay all hospital expenses and medical fees for acute illness, whereas, he says, the typical commercial sickness policy for an individual costs about \$60 a year.

Charity Bill \$365,000,000

He sets the annual bill for medical charity at \$365,000,000 on the part of doctors, hospitals and clinics. The average physician has to give free service for 7 to 10 percent of his clientele and reduced charges for another 20 percent. "Experience shows that people will save (as by life insurance) against a future but certain contingency such as death. They will also save (as by Christmas clubs) to provide for a certain and definite event not far in the future, such as a Christmas celebration. They will save to buy a home or to provide an education for a child, events which again are tangible, certain and of amounts which can be estimated in advance.

Careless of Future

"On the other hand, experience demonstrates that no observable proportion of people will save against a future demand which may never arise and the financial burden of which cannot be estimated in advance of its occurrence."

"But while the individual cannot budget for sickness because it is not predictable, it can be budgeted if distributed over a group," Mr. Davis says, "and if so distributed in an improved form of sickness insurance \$8 to \$15 a year a person would pay for all the expenses of hospital care and professional fees for acute illness."

Mr. Davis criticizes the commercial sickness policy because it does not cover members of the immediate family and liability is limited so expense of "high cost" illness could not be met under the contract.

Accident men point out that the average commercial sickness policy is closer to \$25 premium. A policy for around \$60 is much more liberal although it is written to cover only one person, usually the wage-earner.

protection at a rate considerably below that charged for the original \$2,000,000, but that this was declined, the bank officials at the time stating that a \$1,000,000 loss was quite improbable and anything like a loss of \$3,000,000 was simply ridiculous to contemplate.

The bank will prosecute Wolf to the limit of the law, and also several unnamed "accomplices," all of whom Mr.

Guest Hazard Is Still Bothersome

Car Owner's Liability Is Limited
in a Number of
States

MUCH COLLUSION FOUND

Wisdom of Reforming Present Auto-
mobile Contract Is Being Debated
by Some Executives

NEW YORK, Sept. 9.—While a number of casualty company executives are excited over the "guest hazard" in connection with automobile liability, others can see no particular menace in it thus far. It is certain that no method of dealing with it concertedly has yet been advanced although company officials may have to apply their minds to the question if the practice of holding automobile owners responsible for injuries of "guests" increases much more.

The wisdom of reforming the present automobile contract to eliminate liability for injuries suffered by guests in motor cars is being seriously debated by some underwriters, who contend that a person riding with another should not be barred from recovering damages if it can be proved that the driver was guilty of negligence, or was under the influence of liquor while at the wheel, and hence not in control of the car.

Collusion Often Encountered

On the other hand, it is unquestionably true that many suits brought by guests against car owners for injuries alleged to have occurred, are the result of collusion on the part of unscrupulous persons who hope to secure "easy money" from insurance companies.

Upon the broad ground that actions of such nature are opposed to public policy and their payment imposes an unjust burden upon assureds generally, a number of states have enacted laws in the last four years exempting motorists from liability for death or injury of persons riding with them as guests at the time of an accident, unless it can be proved that the accident was due to driver's negligence.

Reynolds said, are outside of the bank. He charged the loss to breakdown of the bank's audit system, which he said nevertheless is the most complete in the country.

The Chicago loss again demonstrates the inadequacy of insurance protection carried by many banks, in face of extreme cases, although the amount of course on the face of it was large in comparison with any loss that could occur. This undoubtedly will prove to be a strong argument in the hands of surety men in canvassing bankers for increased limits on their blanket bonds.

Says Merit Rating Must Be Reformed or Abandoned

PROVED DISASTROUS: MORCOM

Necessity of Sound Underwriting Policy Emphasized in Talk to Aetna Men at Rally

Unless abuses are corrected, the so-called merit rating plan for private automobile owners must be abandoned in the near future, Vice-President C. B. Morcom of the Aetna Life companies advised the casualty and surety agents gathered at the home office.

"The so-called merit rating plan," Mr. Morcom declared, "which was put out two years ago, while theoretically appearing to be a very splendid thing, in actual working has proved disastrous to the companies. Unless some radical changes can be made in the existing plan that will prevent the abuses now existent in its operation, I am confident that the companies will find it necessary to abandon the whole scheme in the near future."

Sound Underwriting Policy

Mr. Morcom's message was the necessity for a sound underwriting policy on the part of any company desiring to stay in business for any length of time. Mr. Morcom declared that the companies, which not long ago, were advertising a liberal underwriting policy, during the past several months have been confronted either with the necessity of new financing or have retired from the business entirely. "Most of these companies have been obliged seriously to curtail their liberal underwriting practices," he said, "and I confidently predict that during the next few months we are going to see further interesting developments in other companies along similar lines."

As evidence for the need of sound underwriting policy, Mr. Morcom quoted from the casualty experience exhibit, showing an underwriting loss from compensation of companies reporting to the New York department in 1930 of \$18,000,000; automobile liability, underwriting loss, \$14,000,000; fidelity and surety, underwriting loss \$16,000,000.

Woes of Accident Item

Mr. Morcom mentioned that the accident business has not produced any underwriting profit for most companies for years. Despite the increase in exposure to accident, the automobile being the most important element in the exposure, and despite an astonishing increase in death losses, there has been practically no increase in accident rates. On the other hand, there has been a liberalization of policy contracts, "which has broadened the coverage in some instances to a ridiculous degree, all these various forms of contract having been put out by one company or another with the hope and expectation that it would enable such companies' agents to have something better to sell than their competitors, and apparently without much regard as to what might happen to their loss ratio through the sale of such contract."

Mr. Morcom expressed pleasure at the movement started by a number of large accident writing companies to bring about standardization of policy forms and language and some uniform treatment of classification and rate. Mr. Morcom said that a fundamental in the Aetna's underwriting program is treating agents, in the acceptance of borderline risks, by viewing the total result of an agency's business rather than individual line results. The same principle is applied to assureds with whom the Aetna is carrying several lines of business and one portion is sub-normal.

Again Chairman



W. A. EDGAR, Baltimore

W. A. Edgar, vice-president of the United States Fidelity & Guaranty and head of the agency department, will again act as chairman of the entertainment committee for the big casualty convention at White Sulphur Springs starting Sept. 28. This is a most important position. It requires no end of diplomacy, amiability, suavity and cordiality. These and other characteristics are reflected through the popular Edgar.

Local Agent of Richmond Terms Fleet Rule Unfair

H. V. Godbold & Co., Richmond, Va., local agency, recently wrote a fleet of motor trucks operating under a franchise between Richmond and New York at Richmond rates. Upon being advised of this, the National Bureau of Casualty & Surety Underwriters directed it to rewrite the business at New York rates, pointing out that under the new rules any truck operating on a franchise basis and hauling goods between two given points must take the rate governing in the city which has the highest rate.

H. V. Godbold, head of the agency, has taken issue with the bureau, contending that the rule is unfair and discriminatory as to franchise trucks, inasmuch as the bureau apparently makes no effort to check up on trucks in the general hauling class operating between points with different rates. The bureau in reply said that it also applied the rate to this class wherever possible and suggested that Mr. Godbold report such cases of general haulers getting the cheaper rate as might come to his attention.

Mr. Godbold says that the application of the New York rate to the line written by him has cost his client more than \$500 in increased premium. Under a former rule of the bureau, franchise haulers were charged the rate applicable to the place of residence. The owner of the line written by Mr. Godbold lives in Richmond and it was his impression that the Richmond rate, which is much lower than the New York rate, applied.

Dixie-Atlas-Republic Changes

The authorized capital of the Dixie-Atlas-Republic has been reduced from \$500,000 to \$111,509 and the par value per share reduced from \$5 to \$1, thereby increasing the surplus account by \$167,261. The home office has been removed from Nashville to Campbellsville, Ky., while an executive office is retained in Tennessee. The new officers are: President, H. T. Parrott; vice-president, J. H. Pickett; treasurer, W. L. Mitchell; secretary, G. W. Terry.

Casualty Blowups on Bank Failure Scale Predicted

WILSON MAKES PREDICTION

Cleveland Leader Looks for Worst Series of Company Failures in Insurance History

Tremendous mortality among casualty companies is in more or less immediate prospect, W. G. Wilson of Cleveland, Ohio manager of the Aetna Life companies, predicted in a talk before the casualty and surety field representatives of the Aetna at the home office.

"I think we are going to have the greatest epidemic of insurance failures, blow-ups or what have you, in this casualty business that has ever been known. I think they will pop out with the speed that a number of our banks recently have failed. In proportion, I think the result will be much the same."

Five Survive Out of 22

Mr. Wilson told the agents that he was impressed with a statement made at the recent hearing on surety conditions in New York, that of the 22 companies engaged in the surety business in 1909, there are now only five surviving. "That is a pathetic mortality of practically 80 percent, and instead of those five companies having the field to themselves and being able to divide the business, there are now 80 companies contending for the same thing as the 22 companies contended for, and of which 17 have fallen by the wayside in about half a generation."

F. & D. Pays on Toledo Claim

The Fidelity & Deposit has presented a check for \$350,000 as part payment of its responsibility under a bond guaranteeing city deposits in the Security Home Trust Company of Toledo, which closed about three months ago. This action followed filing of suit against the bank, the state superintendent of banks and nine surety companies, of which the Fidelity & Deposit was one, asking that responsibility for payment of the city's \$1,500,000 deposit be pro rated.

Wilson Handles Air Race Cover

W. G. Wilson, Ohio state manager of the Aetna Life and affiliated companies, was given the placing of the insurance for the National Air Races at Cleveland Aug. 29-Sept. 7. The insurance line was sizeable and had to be spread out. Theft, property damage and public liability policies were arranged through the U. S. Aviation Underwriters and the General Reinsurance. Other lines of coverage required were automobile liability, messenger robbery, interior holdup, various bond coverages, and fire and windstorm insurance. A special contract had to be arranged with adequate limits of coverage acceptable to both the city of Cleveland and the federal government.

Guest Case Is Decided

A guest case came up before the United States district court for the middle district of Pennsylvania in Hartshorn vs. Royal Indemnity. Samuel Hartshorn owned the automobile and Emily, while riding in the automobile, was injured. There was no allegation in the plaintiff's statement that there is any liability of Samuel for the injuries received by Emily in the accident and there is no statement of facts showing that Samuel is liable for the injuries of Emily because of the negligent operation of the automobile at the time of the accident or for any other reason. The court held that liability does not arise from the mere happening of an accident. The company's affidavit of defense raising questions of law must be sustained.

Bankrupt, \$10,000 Assets, Is On Surety for \$585,000

V. B. Campbell, president of the defunct First National Bank of McLeansboro, Ill., who has just filed a voluntary petition in bankruptcy, was surety on \$585,000 of public official bonds. He scheduled assets of \$10,220 and liabilities of \$703,476.

His petition sets forth that Campbell has already been made personally liable on the bond of John Irvin, an ex-school treasurer, who is charged with defalcations totaling \$10,000. He also signed the bonds of seven other school treasurers, five township supervisors and the city treasurer of McLeansboro. He is surety on the bonds of Terry Sneed, county treasurer and county collector of Hamilton county and treasurer of two special drainage districts, for \$307,000.

Storm of Protest on Rate Increase

(CONT'D FROM PRECEDING PAGE)

The Chelsea chamber of commerce has sent the following recommendations to the governor as suggested changes in the law:

1. Coinsurance, the insured to be responsible for 30 percent of any claim paid.

2. A just, flat rate for the entire state; a tax based on principles similar to any other tax for cost of government.

3. A demerit system, all increases to be charged to those responsible for accidents and the additional revenue obtained used in regularly reducing the flat rate as an incentive to careful driving.

Tuesday and Wednesday evenings Gov. J. B. Ely has engaged half-hour periods on the radio to make his first public expression on the compulsory law and the new rates.

Governor Ely was urged by Senator Conde Brodine to postpone final determination of the 1932 rate scale until remedial legislation is passed. The governor was asked to direct Commissioner Brown to this effect and that a special session of the legislature be called for this purpose.

NEW YORK SUN COMMENTS

The New York "Sun" printed an article with a Washington date line on its own responsibility, stating that compulsory automobile insurance, which was held out in some quarters as a solution of the problem caused by the financially irresponsible motorist who kills or maims without paying for his damage, "is proving to be an expensive if not a dubious remedy."

The Massachusetts experiment is noted and the vehement protest against the recently authorized rate increases there are declared to be forewarnings of the doom of the plan.

Break Camel's Back

"It is likely," the Sun declares, "that the 1932 rates will be the straw to break the camel's back and doom the Massachusetts experiment. Every year since 1927, when the law went into effect, the experience has shown that the rates charged for the preceding year were inadequate. Since then there has been a succession of rate increases, amounting in the aggregate to more than 50 percent above the rates charged initially in many cities for the required coverage."

The Sun predicts that a determined effort will be made in the 1932 legislature to abolish the compulsory plan and substitute the so-called financial responsibility law.

Burke Recites Woes of Bay State Compulsory Auto Law

ADDRESSES AETNAIZERS MEET

Boston General Agent Lists Increase in Cost Per Accident and Political Influence

Increase in the cost per accident and political interference in the matter of rate and commission fixing are the two principal evils of the Massachusetts compulsory automobile law, according to A. W. Burke of Boston, general agent for the Aetna Casualty and Aetna Life, who addressed the Aetnaizers national convention of casualty and surety field representatives in Hartford.

"It is obvious," Mr. Burke declared, "that any element of insurance injected into personal injury trials results in a higher cost per case. Before enactment of the compulsory law, it was illegal to mention in the trial of the case the fact that the defendant carried insurance, but today, it becomes practically a matter of assessment of damages by the court or jury."

Department Misses Point

"In considering the various factors which make up the premiums we have had considerable difficulty in convincing the insurance department that the general agent, local agent and broker should receive the proper amount for their service, the department being of the opinion that because of the insurance being compulsory, there is much less work in connection with the acquisition and detail than before the law was passed. As a matter of fact the actual work and detail has been materially increased."

"Think of the difficulty entailed in handling this business, and imagine, if you can, all of your automobile liability policies expiring and coming up for renewal Jan. 1 of each year for, as you know, these policies must be concurrent with the registration."

Manager Beha to Confer With Coast Casualty Men

General Manager Beha of the National Bureau of Casualty & Surety Underwriters will meet the casualty managers and general agents at San Francisco, Sept. 19, on his way from the Portland meeting of the National Convention of Insurance Commissioners to Los Angeles, where he will speak before the National Association of Insurance Agents. Mr. Beha will discuss some of the problems in connection with the new acquisition cost rule.

Mr. Beha also will be the guest of Joy Lichtenstein, Pacific Coast manager of the Hartford companies, at a luncheon on Sept. 19. Guests at the luncheon will include the local casualty and surety men of San Francisco. Mr. Beha will spend two days in San Francisco.

David Lawrence Not to Attend

David Lawrence, editor of the "United States Daily," who was originally scheduled to address the casualty convention at White Sulphur Springs, Sept. 29-Oct. 1, will be unable to attend.

For the convenience of those who will attend the convention from New Jersey, New York and the New England states, tentative arrangements are being made for special cars leaving the Pennsylvania station, New York, Sunday evening, Sept. 27, at 5:30 p. m. eastern standard time, and arriving at White Sulphur Springs at 7:13 a. m. Sept. 28. Those desiring reservations should notify F. Robertson Jones, secretary. Reduced rates will be in effect on the certificate plan.

Casualty Companies' Half-Year Figures As Reported in Georgia

Employers Liability—Assets, \$37,211,959; deposit, \$250,000; surplus, \$6,072,162; premium income, \$15,767,951; losses, \$9,075,237; total income, \$17,986,794; total disbursements, \$16,352,352.

Yorkshire Indemnity—Assets, \$2,105,072; capital, \$600,000; surplus, \$559,044; reinsurance reserve, \$440,601; premium income, \$529,409; losses, \$207,733; total income, \$563,299; total disbursements, \$439,314.

Sun Indemnity—Assets, \$4,926,931; capital, \$1,000,000; surplus, \$814,967; reinsurance reserve, \$1,554,563; premium income, \$1,638,152; losses, \$663,644; total income, \$1,732,822; total disbursements, \$1,391,707.

Standard Accident—Assets, \$22,846,755; capital, \$2,500,000; total income, \$10,712,923; total disbursements, \$10,545,793.

Home Indemnity—Assets, \$6,862,564; capital, \$1,000,000; surplus, \$1,017,966; reinsurance reserve, \$2,992,138; premium income, \$3,397,532; losses, \$588,558; total income, \$3,576,316; total disbursements, \$2,578,643.

Continental Casualty—Assets, \$22,709,144; capital, \$3,500,000; surplus, \$3,500,000; reinsurance reserve, \$8,173,452; premium income, \$8,585,720; losses, \$3,935,359; total income, \$9,059,909.

Columbia Casualty—Assets, \$7,031,690; capital, \$1,000,000; surplus, \$831,976; reinsurance reserve, \$2,328,739; premium income, \$2,153,613; losses, \$1,343,087; total income, \$2,342,295; total disbursements, \$2,539,720.

American Employers—Assets, \$7,342,197; capital, \$1,000,000; surplus, \$587,381; reinsurance reserve, \$2,498,138; premium income, \$3,282,974; losses, \$1,842,634; total income, \$3,544,545; total disbursements, \$2,988,114.

American Credit Indemnity—Assets, \$3,289,678; capital, \$1,000,000; surplus, \$472,572; premium income, \$811,753; losses, \$1,086,052; total income, \$1,104,486; total disbursements, \$1,627,963.

Maryland Casualty—Assets, \$12,986,686; capital, \$5,000,000; total income, \$16,159,234; total disbursements, \$12,269,420.

American Casualty—Assets, \$3,718,893; capital, \$1,000,000; surplus, \$514,031; reinsurance reserve, \$942,861; premium income, \$1,160,924; losses, \$624,827; total income, \$1,256,645; total disbursements, \$1,259,747.

Hartford Live Stock—Assets, \$1,519,620; capital, \$500,000; surplus, \$697,486; total income, \$248,168; total disbursements, \$20,337.

Answers to Long Form Show Why Assureds Favor Short

Surety companies these days are requiring the so-called long form statement from contractors applying for contract bonds, wherever possible. Surety people report that the results of these longer questionnaires disclosed why many contractors prefer the short form.

Some Entries Lumped

In the short form, a number of entries are lumped under the single heading "stocks and bonds." In the long form, the scrutiny is more searching. It is found that even some of the most important contractors in the country have a large proportion of cats and dogs. The possession of bonds on hotel and apartment property in receivership is disclosed by the long form, as well as second mortgages on property sometimes which could be disposed of for no more than the first mortgage.

Companies Are Watchful

Under the item "accounts receivable" is frequently found money due from properties in the hands of receiver.

Although losses under contract have not been abnormal, surety companies are more than ever anxious to avoid guaranteeing the performance of contractors whose position is fundamentally shaky.

Central Surety—Assets, \$3,973,942; capital, \$1,000,000; surplus, \$830,905; reinsurance reserve, \$1,081,962; premium income, \$1,348,759; losses, \$828,285; total income, \$1,449,206; total disbursements, \$1,398,764.

Transportation Indemnity—Assets, \$2,327,808; capital, \$1,000,000; surplus, \$136,056; reinsurance reserve, \$409,101; premium income, \$415,889; losses, \$269,733; total income, \$479,593; total disbursements, \$546,412.

Lloyds Casualty—Assets, \$6,369,520; capital, \$2,000,000; surplus, \$203,993; reinsurance reserve, \$1,683,028; premium income, \$2,022,913; losses, \$1,409,833; total disbursements, \$2,581,863.

Fidelity & Casualty—Assets, \$38,052,198; capital, \$5,000,000; surplus, \$2,694,626; reinsurance reserve, \$30,357,572; total income, \$16,806,127; total disbursements, \$17,642,527.

Commercial Casualty—Assets, \$13,865,621; capital, \$1,000,000; surplus, \$1,318,665; reinsurance reserve, \$4,794,979; premium income, \$6,408,572; losses, \$3,254,288; total income, \$8,976,705; total disbursements, \$6,864,754.

Indemnity of North America—Assets, \$18,530,009; capital, \$1,000,000; surplus, \$2,947,824; reinsurance reserve, \$6,507,081; premium income, \$7,188,191; losses, \$5,099,498; total income, \$7,680,013; total disbursements, \$7,973,054.

National Union Indemnity—Assets, \$3,801,679; capital, \$1,000,000; surplus, \$216,384; reinsurance reserve, \$1,073,462; premium income, \$1,333,567; losses, \$1,303,184; total income, \$1,690,638; total disbursements, \$1,687,927.

Royal Indemnity—Assets, \$24,300,941; capital, \$2,500,000; surplus, \$3,011,192; reinsurance reserve, \$6,915,875; premium income, \$8,008,469; losses, \$4,048,015; total income, \$8,641,164; total disbursements, \$7,951,706.

Liberty Mutual—Assets, \$23,594,581; surplus, \$3,993,887; reinsurance reserve, \$6,110,398; premium income, \$9,578,770; losses, \$4,739,855; total income, \$10,081,760; total disbursements, \$9,080,776.

Zurich—Assets, \$20,358,563; capital, \$600,000; surplus, \$1,500,000; premium income, \$6,584,305; losses, \$3,919,122; total income, \$7,114,904; total disbursements, \$6,847,713.

Liberty Mutual, Boston—Assets, \$23,594,581; surplus, \$3,993,887; reinsurance reserve, \$6,110,398; premium income, \$9,578,770; losses, \$4,739,855; total income, \$10,081,760; total disbursements, \$9,080,776.

Casualty Field Club Plans to Hold Practical Meetings

Practical meetings this fall and winter for the Casualty Field Club of Chicago were decided upon by the executive committee of the club this week. The first gathering will be held Monday, Oct. 5, and others on the first Monday of each month until next summer. President A. P. Lantz is a strong believer in the value of training and Freeman C. Read, chairman of the program committee, was president when the club staged the first of its famous annual sales congresses.

The belief was expressed by the executive committee that offices which had not taken much interest in the field club will be interested this year, when business is harder to get and training of special agents counts for more. An effort will be made to convince the managers of the sales value of the material brought out at the meeting and thus secure a larger attendance. Although there are about 150 members, the average attendance is around 40 or 50.

Wage Accident Drive

NEW YORK, Sept. 9.—There are 671 firms of this city and vicinity enrolled for the annual state-wide 13-weeks accident prevention campaign of Associated Industries of New York which started Aug. 30. They will compete to reduce loss through preventable accidents.

Companies Seek to Renew Interest in Plate Glass

SEE VIRTUE OF SMALL LINES

Rural and Small Town Agents Responding to Move Away From Jumbo Writings

Casualty companies are beginning to place greater emphasis on plate glass, a line which has lagged in recent years, largely because so many agents have been occupied in attempting to land jumbo compensation lines, automobile fleets, etc., at the expense of the less sensational premium producers.

Now, the feeling is growing that the agent must look to the small premium, the run of mine stuff, for his livelihood. Compensation audits are down and the agent who devotes all his attention to attempting to land the big policies is likely to find his business pretty well demoralized.

The companies now are making a drive for a greater volume of small policies. Plate glass is one of the profitable lines and the companies are eager to restore it to its former proportions.

One of the largest casualty companies has made a comparison of plate glass premiums each year since 1921 in the various states, showing the decline in income from that source and urging branch managers and general agents to concentrate more on plate glass. In Illinois, for instance, this company's exhibit shows that in 1924, the 22 leading casualty companies wrote \$1,358,215 in plate glass, while in 1930 the figure was \$728,699.

In all branches of insurance as well as in many other lines of industry, it is found that projects or commodities calling for a large outlay have suffered the most. In life insurance, for instance, the number of jumbo cases is only a fraction of what it once was and those agents who have depended on big cases to the exclusion of the average sized policy are writing practically no business. On the other hand, commodities which sell for a price which does not demand a meeting of the board of directors to authorize, are keeping on more or less of an even keel. That is true in casualty insurance.

Some companies report the sale of an exceptionally large number of \$5 automobile accident policies, golfers' liability, etc. Companies are getting a better response from rural and small town agents in the drive for volume based on smaller policies. In the city, many of the agents, whose income is seriously lower, are still striving to regain their position by competing for the big lines. Many metropolitan agents are still contemptuous of plate glass insurance.

Fall Kills Auto Victim, Driver Held; Reversed

ST. PAUL, Sept. 9.—An example of the liberality of Minnesota jurors came to light this week in a decision of the supreme court.

Steve Sporna, Minneapolis, was run down by an automobile driven by John Kalina, Jr., Minneapolis. Both his legs were fractured and while he was convalescing from these injuries, Sporna fell down the stairway in his home and was killed.

A jury in district court decided that the automobile driver was really responsible for Sporna's death and gave the widow a verdict for \$7,500. The supreme court reversed the lower court.

CHANGES IN CASUALTY FIELD

Gueydan Is Chicago Manager

Succeeds Schofield as Supervisor of Western Division for Lloyds Casualty, Detroit F. & S.

R. L. Gueydan, who has been bond manager in the western division office in Chicago for Lloyds Casualty and Detroit Fidelity & Surety, has been appointed manager of the branch to succeed L. C. Schofield, resigned. Mr. Schofield expects to announce his new connection shortly.

Mr. Gueydan was appointed after a visit to Chicago by M. D. Maggin, vice-president and general manager, and Norwood Rathbone, vice-president.

Mr. Gueydan has been in the Chicago office for only a few months. Before that he had been branch manager in Detroit for the Consolidated Indemnity for about a year. From 1921 until he joined the Consolidated, Mr. Gueydan was connected with the Detroit Fidelity & Surety, first as executive special agent and then for four years as branch manager in Michigan outside of Wayne county. He started in the business as manager of the bond department of W. H. Markham & Co., in St. Louis in 1908. In 1911, when the old Equitable Surety was organized by J. L. Humphrey, he joined that organization and served until 1914. Then he served in Chicago with the American Surety under M. L. Jenks until he went to Detroit.

Mr. Gueydan is assisted in the Chicago office by E. J. Brink, who is developing the casualty brokerage business; G. A. Ferguson, casualty underwriter, and J. W. Magnuson, surety underwriter.

D. A. Carter Is Transferred

Shifted by Constitution Indemnity to Kansas City to Cover Four Missouri Valley States

D. A. Carter, formerly in charge of Michigan for the Constitution Indemnity, later traveling out of its Chicago office on special work, has been transferred to Kansas City, Mo., where he will make his headquarters in the Ridge Arcade. Mr. Carter will service Kansas, Missouri, Iowa and Nebraska, the Constitution's volume in those states having increased to the point where greater supervision is needed. He will assist State Agent W. O. Woodsmall in Kansas and Missouri and State Agent J. H. Bunten in Iowa and Nebraska.

W. K. Baird, who has been an underwriter in the Chicago office of the Constitution Indemnity since the western division was formed, is now spending most of his time in special agency work out of the Chicago office. He is getting assignments in Indiana, Michigan and part of Wisconsin.

G. J. Kley Is Given Wider Duties by Union Indemnity

G. J. Kley has been named supervisor of the accident and health and plate glass departments at the home office of the Union Indemnity, in addition to his duties as superintendent of the burglary and robbery department.

Starting with the London Guarantee & Accident in 1911, he went with the Travelers in 1918, remaining nine years. When he left that company to go to the

United States Fidelity & Guaranty he was office manager of the casualty underwriting department of the Travelers. He joined the Union Indemnity in 1928.

Form Washington General Agency

WASHINGTON, Sept. 9.—A new general agency has been opened here by Legg, Griffin & Co., with offices in the Hibbs buildings. E. K. Legg, Jr., for the past 23 years in charge of the Washington office of the Fidelity & Casualty, is president. G. A. Griffin, who has been assistant resident manager of the Fidelity & Casualty, is vice-president, and G. Y. Worthington, Jr., treasurer. The new firm has been appointed general agent for the Fidelity & Casualty and the Fidelity-Phenix Fire.

Leases New Space

BALTIMORE, Sept. 9.—The United States Casualty has leased the first floor of 30 South Calvert street for its claim department. The company is represented by Poor & Alexander as agents, but maintained its own claim department in the office of Poor & Alexander with C. W. Sharp as local manager.

Open New Law Office

Three Los Angeles claims attorneys of local agencies, E. C. Mills, United States Fidelity & Guaranty branch offices; F. G. Dunn, Firemen's of Newark, and H. J. Hunter, Union Indemnity, have resigned as of Oct. 1 to open a law office in Los Angeles specializing in insurance law, under the firm name of Mills, Hunter & Dunn.

Burdsall F. & C. Manager

F. B. Burdsall has been appointed resident branch manager of the Fidelity & Casualty at Washington, D. C., succeeding E. J. Legg, Jr., who has become a member of a general agency representing the F. & C. Mr. Burdsall

has been manager of the bonding division of the Philadelphia office since the middle of 1930 and before that was Philadelphia branch manager of the Massachusetts Bonding. He started in casualty and surety back in 1910. He is past president of both the casualty and surety underwriters' associations of Philadelphia and has been a director of the Pennsylvania Insurance Federation.

California Motor Deaths

SAN FRANCISCO, Sept. 9.—Figures on motor vehicle accidents in California just released for the first six months of 1931 by the division of motor vehicles show 1,216 persons were killed, an increase of 150 over six months in 1930. An appalling increase in the number killed in June, the latest month on which figures are available, is also shown. That month 244 were killed, the second highest number in the state for any month, surpassed only in November, 1930, when a peak of 258 was reached.

The number injured the first six months is 22,614, 3,918 more than last year.

Claim Men Organize

The North Carolina Claim Men's Association has been organized following a conference of claim men with J. D. Dorsett of the industrial commission at Charlotte. The first officers are: President, R. V. Kidd, Charlotte; vice-president, L. M. Curtis, Greensboro; treasurer, C. A. Anderson, and secretary, W. C. Ginter, both of Charlotte. The association and the North Carolina safety organization will meet at Charlotte Nov. 4.

Wisconsin Chairman Reappointed

F. M. Wilcox, for 18 years a member of the Wisconsin industrial commission, and for the past 11 years its chairman, has been reappointed for a six-year term.

ACCUMULATED EXPERIENCE

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80 John Street, New York, N. Y.

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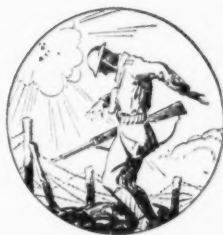
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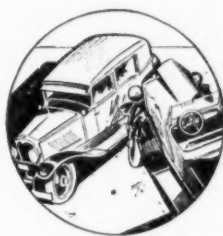
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50,510

MEMBERS OF A.E.F.
killed in action or died of wounds
during 18 months of World War



51,400

AMERICANS
killed in Automobile Accidents in
18 months ended December 31 last

Through the advertising columns of daily newspapers The Travelers Companies sent over 39 million messages regarding highway safety to the American people in the periods preceding and following Labor Day—a three-day holiday that has become a national holocaust.

These Companies have expended \$27,781,435 for the prevention of accidents.

SOME people say that nothing can be done about this automobile accident situation. They shrug their shoulders and look upon that 33,000 to 35,000 deaths and 990,000 to a million injuries a year as the inevitable price that we must pay for the automobile and its undeniable blessings.

Such a viewpoint is hardly in keeping with American intelligence, with American ingenuity or with American determination. It challenges the ability of the American citizen to control the product of his own brain.

There is no need for any such fatalistic, defeatist belief.

Traffic experts and those who have studied accidents in industry know that automobile engineering, highway improvement and traffic supervision can go only so far in reducing accidents.

What more has yet to be done? What is the solution? It will be found only in the education of the people who use the highways—in the people who use them as drivers and the people who use them as pedestrians. Nine of these automobile accidents are caused by human beings to every one that is caused by a defective car or defective highway. It is the occasional lapse of attention and the taking of an occasional chance that pile up the figures.

The key to the whole situation is a bit more care, a bit more courtesy—all of the time.

When the public generally realizes this fact, when it recognizes that even though "accidents will happen" many can be avoided, the casualty list will shrink. When more drivers and pedestrians know and observe the rules of the road it will be less difficult to bring into line the recalcitrant few.

Published in the Interest of Safety

THE TRAVELERS

L. EDMUND ZACHER, President

THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

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HARTFORD

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[Automobile casualty figures quoted here are based on detailed reports for 1930 and last half of 1929 and reports for this year which indicate an automobile death toll of 35,000.]

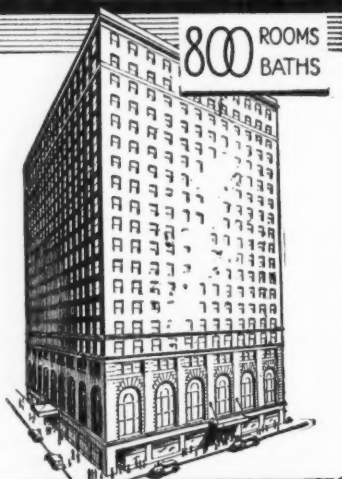
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WORKMEN'S COMPENSATION

Effect of New Rates in Doubt

**Whether Emergency Increase Will Be
Sufficient to Meet Carriers' Needs
Remains to Be Seen**

NEW YORK, Sept. 9.—Whether the emergency rate advance for compensation insurance sanctioned by the great majority of the states, effective Sept. 1, will prove sufficient to enable the complete payment of losses, time alone will tell. Some months must elapse before the carriers will derive any appreciable result from the new tariffs. Meantime the companies are settling claims on the basis of the rates previously in force. The general understanding is that loss ratios are mounting rapidly, in some instances approaching close to 100 percent, which means that surplus accounts are being called on for heavy contributions. Carriers continue to feel the strain of excessive claim awards by courts and industrial commissions, whose sympathy is readily aroused in these days of industrial depression, and who are lending a ready ear to the plea of injured workmen and their beneficiaries. The workmen, too, still find it more profitable to collect indemnity from the insurance companies than to accept employment on a part-time basis. The period of alleged disability steadily lengthens, increasing very substantially the drain on the indemnity carriers.

The only silver lining to the generally gloomy casualty situation is that both companies and agents are in a far more tractable mood than they have been for a long time. This affords an admirable opportunity for the adoption of reform measures in the general conduct of the business, long held to be desirable but which it has been found impracticable hitherto to put into effect.

Charge New York Fund Uses Discriminating Tactics

ALBANY, Sept. 8.—Charges that officials of the New York state insurance fund have been guilty of discriminatory tactics designed to give control to workmen's compensation insurance in the window cleaning and building maintenance industry to the Empire State Mutual have been filed with Governor Roosevelt by the Accident Prevention & Safety League, also a mutual insurance group in the window cleaning industry.

According to the charges, the premiums and penalties leveled against those outside the Empire State Mutual were so heavy as to be calculated to drive them into the Empire.

G. H. Hipp, state fund actuary, in discussing the charges said he knew of no ground for the accusations. Miss Frances Perkins, industrial commissioner, who is chairman of the advisory board that directs the fund management, is absent on vacation.

New Jersey Grants Second Compensation Rate Increase

TRENTON, N. J., Sept. 9.—For the second time this year an increase in workmen's compensation rates has been adopted in this state. The most recent advance of approximately 12½ percent was sanctioned by Commissioner F. H. Smith of the department of banking and insurance as of Sept. 1. Justifying his approval of the new tariffs the commissioner said in part:

"Without further increases the rates previously in force were clearly not sufficient to cover losses incurred and the necessary expenses of administration as contemplated under the rating law. Very serious question was raised as to

whether the casualty companies could be expected to continue in a financial condition capable of meeting their obligations to the injured and dependents under the compensation law," without the benefit of advanced rates.

While hopeful that no further rate increase will be required, at least this year, Mr. Smith appreciates that if wages throughout the state continue to fall off, thereby reducing premium collections, it might be necessary to call for still higher compensation rates.

A. R. Lawrence of the New Jersey Compensation Rating Bureau, in an address before the agents' association last February, warned that the pronounced upward loss trend indicated very clearly that a sharp increase in rates would be necessary.

Utah Increases Approved

SALT LAKE CITY, Sept. 9.—The National Council's new rate schedule for compensation insurance has been approved by the state industrial commission. The commission's decision is subject to protest and hearing. Protests by either the assureds or the carriers must be filed before Jan. 1.

"The changes," said Commissioner McShane, "vary from decreases in a very few instances to as high as 100 percent in other isolated instances. The increases probably average 30 percent, but that does not mean necessarily that premiums collected in Utah will be increased 30 percent. On many of the classes there is in Utah little or no premium. The largest premiums in Utah are paid on mining. The metal mining rate is increased from \$6 to \$7.19 per \$100 of payroll, or 20 percent."

Denies Missouri Increase

The application of about 60 compensation carriers for a 3 percent increase was denied Sept. 3 by Superintendent Thompson. He also denied application for a permit to increase occupational disease insurance rates. However, an increase of about 1 percent was granted as "medical allowance." He said the plea for an increase was on anticipated, rather than experienced, loss. The last legislature paved the way for the 1 percent increase for medical attention. The maximum amount now allowed for doctor bills is from \$250 to \$750.

Virginia Fund Report Incomplete

RICHMOND, VA., Sept. 9.—There is no likelihood that the Virginia legislative commission studying the proposal for adoption of a state fund for workmen's compensation insurance will make a final report at the next session of the general assembly convening in January, 1932. The commission held another meeting in Richmond last week, going over data and statistics assembled since its previous session. At this meeting consensus of opinion was that the commission would not be able to reach a definite conclusion before the assembling of the legislature and would recommend in its report that it be given further time in which to study the question and to report at the 1934 session.

Automobile Adjuster Available

Have had 11 years experience in all lines auto adjusting in Chicago. 29 years of age. Salary is not main object but want to be placed with reliable firm with good future. Address **U-15**, The National Underwriter.

Automobile and Compensation Underwriter with long successful record, now employed desires position with progressive company. Can get profitable results notwithstanding general trend of high ratios. Address **U-19**, The National Underwriter.

ACCIDENT AND HEALTH FIELD

Watch the Suicide Claims

Accident Companies Are Confronted with These Cases During the Present Business Depression

Accident companies have been confronted during the last year or so, as have the life companies, with suicides. In a number of cases the incontestable clause in life insurance had expired and these claims were paid without equivocation. In many instances accident companies find it necessary to make a very rigid examination to substantiate their position that the policyholder died from suicide. The beneficiary or estate endeavors to prove that death was by accident. There have been many cases of carbon monoxide poisoning in garages, men supposedly falling out of windows or drowning. Companies feel morally certain that these are suicide cases but sometimes it is difficult to prove such. The life companies are interested where the double indemnity clause is in the policy.

More Claim Association Speakers Are Announced

Additional speakers announced for the annual meeting of International Claim Association at Swampscott, Mass., Sept. 14-16, are Dr. R. N. Filson, assistant medical director of the Travelers, on "Attending Physicians' Statements," and Dr. J. C. Gill of Rush Medical College, Chicago, on "The Psychoneuroses and Malingering, as Pertaining to Various Forms of Insurance." Dr. Gill gave an address on the same general line before the Chicago Claim Association last winter which attracted wide attention.

C. E. Ansett, superintendent inspection department New York Life, will speak on "Investigating Disability Claims" and Professor W. R. Vance of Yale University on "Disappearance and Certain Other Anomalous Claims."

The Chicago contingent and most of the delegates from points farther west will leave that city on the Lake Shore Limited Sept. 12 at 5:30 p. m., arriving in Swampscott at 7 o'clock Sunday evening, without a change of Pullman.

Form New St. Paul Company

ST. PAUL, Sept. 9.—The Old Colony Insurance Co. has been incorporated as an assessment health, accident and life company. Incorporators include G. C. Rode, a clerk in the secretary of state's office; M. J. Somers, Minneapolis, and R. O. Kuchel, St. Paul. Application for license is pending.

North American's Meeting

The Eastern Conference of the North American Accident will hold its annual meeting Sept. 18-20 at the Arrowhead Inn, Inlet, N. Y., in the heart of the Adirondacks. L. A. McMahon of Baltimore is president; W. E. Calkins, Rochester, N. Y., vice-president, and A. J. Bamann, Rochester, secretary.

Mike O'Sullivan Advanced

Mike O'Sullivan, manager of the health and accident department of the Sunset Mutual Life, Los Angeles, has been elected vice-president and a director of the company, as well as a member of the executive committee. Mr. O'Sullivan has made an outstanding record as manager of the company's health and accident department.

*Chicago Club to Meet

The Accident & Health Managers Club of Chicago has set Sept. 14 at the

Palmer House for its first fall business meeting, when affairs of the National Association of Accident & Health Managers also will be discussed.

MacKinnon Named Vice-President

R. H. MacKinnon, manager of the accident and health department of the Michigan Life, has been appointed regional vice-president of the National Association of Accident & Health Man-

agers for the Great Lakes states. His first activity will be an attempt to organize a state accident and health managers' club in Michigan.

Handle Deferred Payment Line

W. M. Chittenden & Co. of Cincinnati have been made deferred payment managers for the American Bankers in all states where that company is entered. The company has also become deferred payment managers in part of the territory in which the Bankers National Life of New Jersey operates, handling that company's bank loan business.

President Battles Addresses Casualty Men's Association

The Casualty Association of Los Angeles has resumed its regular meetings. President Edgar Fay presided at the first fall meeting, at which the principal speaker was Eugene Battles, president California Association of Insurance Agents. He briefly discussed the new agency qualification measure and concluded by inviting members to attend the annual meeting of the state association and the convention of the National Association of Insurance Agents at Los Angeles.

Centralize

**NATIONAL
SERVICE**

*Automobile
Plate Glass
Burglary
Public Liability
Compensation
Accident and Health
Insurance
Fidelity and Surety
Bonds*

**CAPITAL
\$1,000,000
SURPLUS
TO
POLICYHOLDERS
\$2,000,000
RESOURCES
\$4,000,000**



**FOR
"FRIENDLY SERVICE"**

Right Now!

Agents who have "Centralized" tell us they get a great deal of satisfaction out of the consistent swiftness of the CENTRAL'S Friendly Service.

1. Letters answered day received.

2. Claims paid fairly—and right now.

Besides . . .

such promptness (not easy to describe) indicates an understanding of all of the Agent's problems characteristic of the

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY

MISSOURI

DENNIS HUDSON, President

FIDELITY AND SURETY NEWS

New Depository Bond Losses

Maryland Institution with 11 Branches Fails—Salvage Good in Some Cases

NEW YORK, Sept. 9.—Following the losses the surety companies have been called upon to pay under their depository bond covers recently as a result of the Ohio bank failures, several offices will have to make contribution in consequence of the collapse of the Central Trust Company of Maryland, a Frederick institution with 11 branches in small communities throughout the western section of the state. While the surety offices have been hit heavily during the past 18 months through bank failures, and have cut into surplus accounts in order to make settlements, they have yet received some substantial salvages and confidently anticipate still further refunds once the unfortunate financial institutions effect reorganization, or have their affairs finally liquidated. The surety companies have received 100 percent on claims paid as a result of the closing of the Louisville Trust Company some months ago, that institution having gotten upon its feet again, and their recoveries from the National Bank of Kentucky, also of Louisville, thus far total 67 percent of the losses. A still further dividend is promised.

To Organize Southern California

LOS ANGELES, Sept. 9.—Fidelity and surety men here are looking forward with interest to the visit of J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, who will attend the convention of the National Association of Insurance

Urges Adherence to Rates

Fidelity and Surety Companies Not Able to Stand Cuts in Present Situation

NEW YORK, Sept. 9.—One of the foremost of the fidelity and surety companies has addressed its agency force throughout the country, strongly urging they get behind the present effort to check rate-cutting, with all of its attendant evils, and support any recommendations made to that end by the insurance commissioners at their gathering in Portland, Ore., next week. It further suggests that as far as may be possible the local men attend the gathering and impress on the state officials the seriousness of the situation with which companies and local representatives alike are now confronted, and the need for a strong concerted effort to bring about improvement.

With a marked falling off in premium income, a shrinkage in the value of their investments and unusually heavy losses resulting in good part from the numerous bank failures, the surety companies are in anything but an enviable condition, and as existing manual rates have proven none too high to take care of claims and administrative expenses, every energy, the office in question states, should be exerted to collect proper tariffs.

Agents here Sept. 21-25. He will at the same time endeavor to complete the formation of an association of fidelity and surety men for southern California, along the same lines as the one in the northern part of the state.

The payment of excess commissions,

going hand in hand as it does with rebating and other demoralizing practices, has brought about a situation in this field that both agents and company officers are most anxious to improve. Rules and regulations for the proposed territorial organization have been drawn up, and with such explanations in regard to it as Mr. Beha will be able to make, it is assumed that the general program will go through without material change.

Plan Baltimore Field Day

BALTIMORE, Sept. 9.—The Casualty & Surety Club of Baltimore is planning to open its fall and winter season with a fall field day the week of Sept. 21, probably on Sept. 22. The club will have luncheons the second Tuesday in October, December, February and April, with the insurance commissioners of nearby states as speakers.

New Virginia Boiler Schedule

RICHMOND, Sept. 9.—The state corporation commission has granted a petition of the Virginia rating bureau to put into effect a revised schedule of rates on industrial boilers, which provides with some exceptions lower rates on such risks.

R. C. Laub Transferred

R. C. Laub, for several years general agent for the Monarch Life and Monarch Accident in Cleveland, has been transferred to the general agency at Springfield, Mass., to succeed H. B. Poist, who has returned to California and is now connected with the company's Los Angeles office.

Who are the leaders of the future? The men who decide to know their business. The fire insurance agents who are interested in their future will do well to write to The National Underwriter Company for booklet, "Business Getting Knowledge," telling about the **Dean Schedule Training Course**.

PERSONALS

S. F. Norwood, assistant manager of the Pacific Employers at San Francisco, is visiting relatives and old friends while enjoying his annual vacation in Ohio. He plans to visit New York before returning to his office.

R. R. Brown, president of the American Surety, is again in New York after a three months' absence in Europe. Entering the service of the company in 1896, Mr. Brown has been its president for the past five years, during which period he earned the reputation of being one of the hardest working executives in the surety business.

A. E. Mezey, newly appointed superintendent of production in the metropolitan department of the Home Indemnity and its running mate, the Southern Surety, is widely known to the New York brokerage fraternity, having had 12 years prior experience with several important agencies of the city.

T. E. Braniff, general agent of Oklahoma City, and Mrs. Braniff and their two children, arrived in New York on the "Leviathan" after a vacation in Europe.

D. B. Lightner, assistant secretary Continental Casualty, who has been visiting California on a vacation motor trip to the Pacific Coast, was in Los Angeles last week on the final lap of his outing. He was accompanied by Mrs. Lightner and their daughter, after spending several days in southern California they returned directly to Chicago.

For a complete study of effective advertising order "**Publicity Methods for Life Underwriters**" from The National Underwriter. \$4.00.



Home Office Buildings

"Of Course We Can Help You Get That Business"

Many Agents and Brokers have heard our men make that remark—that's part of our job. Experience has taught us how to help our friends in the field, and behind our will to be of assistance, is our extensive organization with the knowledge and push ready to give real service.

Take your troublesome cares to our representatives.

MARYLAND CASUALTY COMPANY

CASUALTY INSURANCE

BALTIMORE

BONDING LINES

NEWS OF THE COMPANIES

Employers Mutual Reinsured

Members Transferred to Utica Mutual Will Begin to Receive 20 Percent Dividend

The retirement of the Employers Mutual of New York City by reinsurance in the Utica Mutual of Utica, N. Y., removes from the mutual field in the east one of the rather well known companies. Louis Buefler, general manager, becomes New York City manager of the Utica Mutual with offices in the Chrysler building.

The Employers was organized in 1914 and Mr. Buefler was assistant general manager until 1926, at which time the company had \$600,000 surplus. Last year it wrote \$917,000 in premiums and on Jan. 1 had \$156,000 in surplus compared with \$345,000 last year. It discontinued its 15 percent dividend to policyholders in 1930 and had paid no dividends since.

Will Receive Dividends

The members transferred to the Utica Mutual will automatically commence receiving that company's 20 percent dividend, and about \$125,000 surplus besides adequate reserves will be transferred to the Utica. The premiums, however, have dropped away down, due to the business depression and the discontinuance of the agency system, the premiums for the first six months of this year being only about \$225,000.

Mr. Buefler reengaged with the company in March, 1930, and at once commenced to retrench, trying to overcome the mistakes of the former management. He withdrew the company from 11 states outside New York and discontinued the agents on a commission basis in New York state, making the Employers again a direct writing company in an effort to reduce expense.

Shifted to Agency Basis

The company in its best days was a direct writing company, but by 1930 its business had become about 60 percent agency. The premium income decreased so fast and the value of securities went down so that it was deemed wise to reinsure the company while the policyholders could still be protected. About half the business is in New York City, which will considerably augment the Utica Mutual's business there. The company was a workmen's compensation and automobile writing company principally and was organized mainly for contractors. The contracting business has greatly decreased since the depression. When the reorganization took place it was found that the reserves were altogether too low and this absorbed a large part of the surplus.

The Utica Mutual, under the management of John L. Train, is the backbone of the mutual system in New York State and had a premium income last year of \$3,426,000 with a surplus of \$1,310,000.

Illinois License Revoked

The Illinois license of the Federal Surety of Davenport has been revoked by Superintendent Hanson because of failure to pay its privilege tax to Illinois within the time provided under the statute. The Federal Surety, it is understood, was not planning to operate in Chicago under its reorganization plans, but it did have about \$40,000 from downstate.

Buckeye Union Meeting

Although some of the larger companies have held educational meetings for their agents the Buckeye Union Casualty is one of the first of the smaller companies to adopt the practice. At Cleveland last week about 150 agents of the company gathered for a lake trip

to Niagara Falls. C. R. Hebble, editor of the "F. C. & S. Bulletins," was the guest speaker. Other speakers were: President, F. E. Jones, of the company; George Davis, Mansfield; O. C. Wright, Columbus; Ray Elswick, Caldwell, O.; George French, Springfield, O.

The convention party landed in Buffalo Sept. 2, where buses were waiting to transport the group to Niagara Falls. Luncheon was served at the General Brock Hotel, convention headquarters for the day.

During the afternoon agents had the opportunity to survey the many scenic points about Niagara Falls. No program had been planned for the afternoon to permit sightseeing.

Dinner that evening was also served at the General Brock hotel. The return trip to Buffalo was delayed to permit the convention party to view the illumination of the falls.

Union National to Start

The Union National, a new company at Lincoln, Neb., with \$150,000 capital and \$75,000 surplus, to be managed by

Bert Rodgers, veteran Lincoln insurance man, will write life, accident and health. It will have \$100,000 capital and \$50,000 surplus when it starts. W. E. Barkley is president and Don Love vice-president. It has its offices in the Barkley building at Lincoln.

London Guarantee Figures

The semi-annual statement of the London Guarantee & Accident shows assets \$15,930,444, claim reserve \$6,284,678, premium reserve \$3,940,257, policyholders' surplus \$15,930,444, gain \$319,129 since Jan. 1. The London Guarantee invests chiefly in bonds, the total amount being \$12,931,254.

Claims to Be Paid Soon

SAN FRANCISCO, Sept. 9.—Commissioner Mitchell reports that he expects all outstanding claims against the defunct Lumbermen's Reciprocal of Texas, for which he is receiver in California, to be paid in the near future. Hearings on claims are being held regularly in the department's head office.

United States Casualty

Stockholders of the United States Casualty have been called to a special

meeting Sept. 17 to take action on the directors' proposal to rearrange the capital setup. It is planned to reduce the capital 50 percent by cutting the par value of shares in half. This would throw \$750,000 into surplus account and take care of higher reserves required in the mid-year period because of high proportion of automobile liability carried by the company, without too heavy a drain from surplus.

Increase in Premiums

A 13 percent increase in automobile premiums for the first seven months over the same period of 1930 is reported by President J. S. Kemper for the Lumbermen's Mutual Casualty and American Motorists. While compensation premiums for both companies are down, the average increase for all casualty lines written is 6 percent for the seven months.

Casualty Company Notes

The Connecticut Indemnity of New Haven, Conn., the casualty running mate of the Security Fire of that city, has been licensed in Illinois.

Articles of incorporation for the Lincoln Liberty Life & Accident have been filed at Little Rock, Ark. The incorporators are Lafayette Eoff, R. W. Childress, M. F. Dickinson and W. B. Davis.

Asset No. 3.. AGENCY HELPS

OUR recent survey disclosed that agents like to do business with a Company which assists them in securing and holding business, and we believe we can safely say that the Bankers Indemnity service includes almost every proven feature of this kind. The more popular are our attractive magazine AMERICAN SERVICE; calendars; individualized agency advertising campaigns, including special sales letters and newspaper copy; and practical good-will builders.

Investigate!

BANKERS INDEMNITY INSURANCE CO.

Newark, New Jersey

ONE OF THE AMERICAN GROUP

FALL ACTIVITY

With the turn of the calendar to fall renewed impetus will be felt by every representative of Income Guaranty. Seasonable activities will revive interest in plans for the future and foremost in the minds of many will be the protection of incomes.

Thousands now employed at good salaries, or business executives producing definite and substantial incomes, wish these important revenues guaranteed against possible unearning periods. That's where an Income Guaranty policy steps in. With outstanding features like Full Coverage from first day, Non-Cancellable, Male and Female Risks and other attractive inducements the usual indifference is overcome, the so-called sales-resistance is broken down and policies are readily sold.

Capable, aggressive representatives are desired in our territory. WRITE US TODAY.

OUR FEATURES

PROSPECT SERVICE
FULL COVERAGE
NON-CANCELLABLE
MALE and FEMALE RISKS
STARTS FIRST DAY
Life Time Coverage
Old Line Company
Prompt Claim
Payments
Generous Contract
Large Commissions
Liberal Renewals
Substantial Company
Pays on Any Disease
Pays on Any Accident
Pays Special
Indemnities

OUR TERRITORY

PENNSYLVANIA
CALIFORNIA
MICHIGAN
MISSOURI
INDIANA
ILLINOIS
OHIO



Income Guaranty Company

Capital Stock \$124,100.00 - Surplus to Policy Holders Over \$184,000.00

Legal Reserve Stock Company

Income Building — (Established 1917) — South Bend, Ind.

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Ford President of Iowa Agents

(CONTINUED FROM PAGE 21)

sociation was asked to speak a final message. He urged greater cooperation among all in the insurance procession.

Some controversy arose over one feature of the resolutions committee report which would allow agents not members of certain local boards to join the state association provided the local boards approved the application in writing. Many believed that membership should be co-extensive. The question arose because of the Des Moines situation where some agents are not members of the local board would join the state body. This resolution was voted down. The association felt it might cause complications.

Des Moines agents through the activity of Chester Ford made a real bid for the 1932 convention. As the new president and secretary reside there, the meeting will be held there.

Davis Makes Appeal Against Rate Cutting

An appeal against rate cutting was made by O. J. Davis of Des Moines, state agent for the Home of New York. Rate cutting is the road of least resistance, which is taken on the theory that it will help produce more business, according to Mr. Davis. "The idea is all wrong," he said, "and injures the rate cutter possibly more than the man who walks straight ahead, observing proper rates and practices."

Mr. Davis recalled that some time ago a company in Iowa circularized its agents, advising that it would meet certain competition by cutting rates 20 percent. This caused unrest in the agency ranks. Mr. Davis said that he composed many agents by pointing out that it would be better for them to lose one risk in five than to cut the premium one-fifth on every risk.

"There is just so much business in this state," Mr. Davis declared, "and if it is properly divided the agent will be able to take care of all the coverages and be able to make money if the premiums are kept at a paying level. If the premiums are cut one-fifth or one-half, the whole premium would be reduced in a like amount and there would be no satisfaction or profit in writing the business. I do not believe that any company is doing a friendly turn to an agent by offering to cut rates."

Cartwright Deplores Suspicion Between Companies, Agents

C. M. Cartwright of THE NATIONAL UNDERWRITER in his talk stated that grave controversies should be avoided just as far as possible. He deplored the suspicion that exists on part of companies toward agents and agents toward companies. He declared that if the fire insurance forces as a whole could march in step—companies, agents and field men—the future would be assured and secure. He stated that one of the great drawbacks to the steady progress of insurance is the lack of cooperation among the various units. All are headed for the same goal and yet in their march toward it much time is spent in strife and discord.

He sees a new day with the organization of a national association or conference of companies that will take a broad, all-country view and can treat with agents in a fair minded, liberal, sincere way. If all the forces work together there is an even greater day for insurance than there ever has been in the past. He advocated an insurance laboratory where a study could be made of the more practical issues involving insurance so that it could meet the demands of the day in a more satisfactory manner and could adapt itself more easily to changing conditions.

E. H. Warner, Des Moines branch manager for the Union Indemnity, outlined certain problems which he said are particularly accentuated this year.

The appeal of mutual insurance is greater today, according to Mr. Warner,

with many businesses fighting for their continued existence. Mr. Warner said that mutualism is antagonistic to the principles of American business and that if mutual insurance is sound, there is not an institution buying it whose business should not be mutualized. He pointed out the inconsistency of a member of the National Association of Insurance Agents representing a mutual.

Mr. Warner added that it is an easy step from mutualism to state insurance. If insurance is to be removed from the capitalistic class, he declared, "why not go all the way and make it purely a public enterprise?"

It was never more important that a producer should belong to the National Association of Insurance Agents, according to Mr. Warner. "If the company groups ever should take a stand adverse to your interests, you should be able to show them the unsoundness of their position. In matters of legislation, if you are all enlisted, you can avert hostile laws, or promote those which are needed."

The agent this year as never before must look to the stability and soundness of his companies, Mr. Warner declared. "Do not be lured into putting your clients into companies merely because they pay you more commission or charge you less premium," he said.

Mr. Warner declared that the agents today must be zealous in protecting themselves, the public and the companies by giving them their best judgment in underwriting. "Whenever an agent asks his company to accept the risk, which either individually or as a class is undesirable, he is unfaithful to himself, his company and above all, to the public," Mr. Warner declared.

"No greater challenge," Mr. Warner concluded, "has ever faced the agent than today to help maintain our business on a solid basis. The depression has caused a mad scramble for business as never before. The agent is beset on all sides, insurable values have declined, moral hazard has increased, failures have caused wholesale cancellations and banks have closed, tying up his funds. Nevertheless, it is important that the agent face the future with confidence."

Colvin Lists Benefits of Depression to Insurance

(CONTINUED FROM PAGE 25)

and try to collect the balance from the excess number.

Mr. Colvin said that during the year the Retail Grocers Association of Sioux City was prepared to place a contract with a Chicago mutual to write all lines of insurance at a promised saving of about 30 percent. Officers of the state association and of the local board, he said, convinced the grocers association that the value of their business is largely good will and as a consequence the offer of the Chicago mutual was declined.

"Our salvation," Mr. Colvin declared, "lies in intelligent industry, up to the minute information gleaned from our leading insurance journals, loyalty to companies which frankly support the American agency system, enthusiasm for our state and national associations, optimism and an abiding faith that sound insurance and good practices will appeal to the insurance buyers if we can explain our wares wisely."

WINZER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

Specializing in

INSURANCE
ACCOUNTING

29 S. La Salle Street
CHICAGO

NEW! UNUSUAL! Far Ahead of the Crowd!

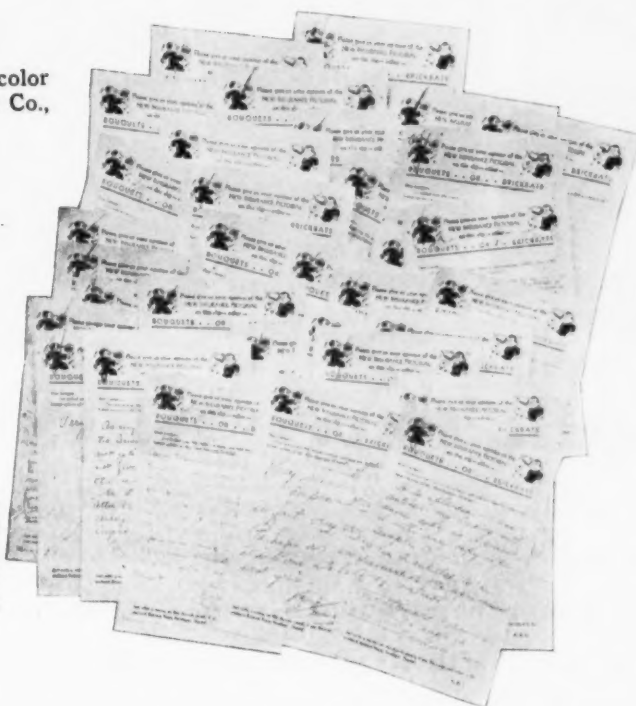
That's What Franchise Holders are Saying about this New Color Rotogravure Pictorial

"We think the New Pictorial with its color effect is a knockout."—C. M. Hunt & Co., Nashville, Tenn.

"As an attention getter we believe it superior to the old, which wasn't so bad itself."—Wetherald, Pfau & Bolin, Wenatchee, Wash.

"New Insurance Pictorial is very fine. This should make The Pictorial much more distinctive."—Horace E. Stedman Co., Sturgeon Bay, Wis.

"I believe the Color Pictorial is wonderful. Nothing which I know of at present begins to have as much action and helps put over sales."—The Woodward Agency, Inc., Niagara Falls, N. Y.



"We agree with you that the New Pictorial is a better Pictorial."—Sturtevant-Overin Co., New York City.

"We believe the new form with the color is much more attractive."—C. J. Adams Co., Atlantic City, N. J.

"We are sold on it and think it is a BIG improvement over the old one."—Schroyer & Cline, Chicago, Illinois.

"The New Insurance Pictorial surely draws the eye; it should and will draw in more business."—Haney Lloyd Chattin, Ocean City, N. J.

EIGHT years ago, the Insurance Pictorial was first produced. It offered the fire and casualty agent a planned systematic program of continuous advertising. The plan has thoroughly demonstrated its value in hundreds of agencies in every section of the country. No other plan of advertising that we know of has been so continuously popular and effective.

So successful was The Pictorial that we hesitated to make any change whatever. But we wanted to keep ahead of the crowd. Other advertisers—large ones to be sure—were using Rotogravure. The field is constantly increasing. Next year there will be more. We believe the time will soon come when one color rotogravure will be no novelty.

Color rotogravure, just recently perfected, offered us the opportunity to again lift The Pictorial out of the crowd. It gave us the opportunity of producing for the insurance agent, advertising that would be far ahead of that used in other lines—in interest, in beauty, and in effectiveness.

And the response from subscribers indicates that our guess was right.

With the New Color Pictorial, the plan re-

mains the same. Hundreds of agents have demonstrated that it pays to keep in touch with clients and prospects by means of an interesting pictorial bulletin. And the bulletin—The Pictorial—has been made more interesting. It has been given a new appeal through color. And it offers greater individuality for each franchise holder.

Even the larger advertisers, who have begun to use Rotogravure in the past few years, have not attempted color rotogravure. It is too expensive—too difficult to work with. But now, the insurance agent can secure advertising which is far ahead of any rotogravure printing which even the largest advertisers of the country are using. And the cost of The Pictorial has not been increased.

Individual Advertising

It is not necessary that you call this the Insurance Pictorial. You can give this monthly publication any name you choose. The Sturtevant-Overin Company, of New York, whose slogan is "Up-to-the-Minute Insurance Service," calls their Pictorial "The Minute Man." Fred L. Gray, of Minneapolis, calls his "Gray Matter." C. M. Hunt Company, of Nashville, Tenn., name their Pictorial bulletin "Insurance Service."

Your name, address, etc., is also printed on the first page. This is the only name that appears on the publication; ours appears nowhere. In addition, you can still further stress your service, and make the Pictorial a more individual service, by special copy on the back page.

Exclusive!

Except in the largest cities, The Pictorial is sold on the exclusive basis. Only one agency in a city can distribute it. Of course, there are many cities that are closed, but your city may be one in which the franchise is available.

Find out about the franchise for your city. Ask for sample copies, prices, and other information. Use this coupon.

**The National Underwriter Co.,
A1946 Insurance Exchange,
Chicago, Illinois**

Please send me sample copies and complete information regarding the exclusive franchise in my city for your new color rotogravure Pictorial.

NAME

ADDRESS

CITY..... STATE.....



Split Three Ways

Why do brokers, life insurance agents and agents sell the Accident contracts of The Employers' Group? We asked several of these gentlemen. Practically all of them gave the same three reasons. Contract, organization, service . . . these three, but the greatest of these is service.

No insurance man can afford to place accident insurance in a company that talks technicalities after the accident.

The Employers' Group doesn't quibble over personal accident claims. And the insurance man appreciates this fact.

The Accident Number of
The Employers' Pioneer
will give you some inter-



esting information. A request for your copy incurs no obligation.

The Employers' Group
110 Milk St., Boston, Mass.